DOCUMENT RESUME

ED 156 902 CE 017 288

TITLE	Analysis of Prison Industries and Recommendations for Change. Study of the Economic and Rehabilitative Aspects of Prison Industry.
INSTITUTION	National Inst. of Law Enforcement and Criminal Justice (Dept. of Justice/LEAA), Washington, D.C.
PUB DATE	Jun 78
CONTRACT	J-LEAA-033-75
NOTE	174p.; A few of the pages may not reproduce well because of faint, broken type ; Project was done under LEAA contract to Econ Inc.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Stock Number 027-000-00690-6)
EDRS PRICE	MF-$0.83 HC-$8.69 Plus Postage.
DESCRIPTORS	Change Strategies; *Correctional Rehabilitation; Corrective Institutions; Cost Effectiveness; *Demonstration Projects; Economic Research; *Industrial Training; Industry; Job Skills; Manpower Utilization; Models; *Prisoners; *Rehabilitation Programs; State Legislation; State Programs; Trade and Industrial Education; Training Objectives; Wages; Work Environment
IDENTIFIERS	*Connecticut

ABSTRACT

This volume presents a study undertaken in Connecticut to identify short-term and long-term strategies for changing prison industries into self-supporting labor systems while simultaneously promoting the rehabilitation of prison inmates. Individual tasks performed as part of the study include a job market survey, an inmate manpower survey, and a product/service sales analysis. Product and labor supply and demand, correctional policies, and legal constraints are discussed. A new concept in prison industries, the Free Venture Model, is proposed, which would (1) create a realistic work environment for inmates; (2) provide partial reimbursement to the state for costs of custody; (3) allow for restitution payments to victims; (4) gradually prepare inmates for release into the community; (5) give prison industry financial incentives for successful reintegration of offenders into the community; and (6) create self-supporting or even profit-making business operations. The relationship between the Free Venture program and other components of the correctional institution is described, and an implementation strategy is proposed. Opportunities for short-term changes, such as establishing a number of Free Venture Industry shops and developing a marketing program, are discussed. Recommendations are then offered for long-term changes, involving such items as program growth decisions and legislative changes. (Author/ELG)

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Study of the Economic and Rehabilitative Aspects of Prison Industry

Analysis of Prison Industries and Recommendations for Change

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June 1978

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This project was supported by Contract Number J-LEAA-033-75, awarded to Econ Incorporated by the National Institute of Law Enforcement and Criminal Justice, Law Enforcement Assistance Administration, U. S. Department of Justice, under the Omnibus Crime Control and Safe Streets Act of 1968, as amended. Points of view or opinions stated in this document are those of the authors and do not necessarily represent the official position or policies of the U. S. Department of Justice.

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ABSTRACT: The overall goal of this study was to identify short-term and long-term strategies for changing prison industries into self-supporting labor systems while simultaneously promoting the rehabilitation of prison inmates. This volume presents an economic analysis of prison industries in Connecticut correctional institutions, along with a model for a self-sufficient prison industry program. All of the major study tasks described in the volume were carried out in Connecticut; the focus was on the industries of the Somers Correctional Institution, a maximum security prison. Individual studies performed in this system include a job market survey, an inmate manpower survey, and a product/service sales analysis. Product and labor supply and demand, correctional policies, and legal constraints---key factors which must be taken into account in an analysis of a prison industry---are discussed. A new concept in prison industries, the Free Venture Model, is proposed. This model would enable correctional industries to emulate private employment as closely as possible within the prison setting. Free Venture would create a realistic work environment for inmates; provide partial reimbursement to the State for costs of custody; allow for restitution payments to victims; gradually prepare inmates for release into the community; give prison industry financial incentives for successful reintegration of offenders into the community; and create self-supporting or even profit-making business operations. The volume discusses the relationship between the Free Venture program and other components of the correctional institution, and outlines a proposed implementation strategy. Opportunities for short-term changes, such as establishing a number of Free Venture Industry shops and developing a marketing program, are discussed. Recommendations are then offered for long-term changes, involving such items as program growth decisions and legislative changes. Charts and diagrams are provided throughout the volume to illustrate the evaluations and recommendations.

I. OVERVIEW OF THE STUDY METHODOLOGY

A. Purpose and Organization of the Study

It would appear that everyone - citizens, judges, prosecutors, legislators, police, academics, prisoners and correctional administrators - is exceedingly disillusioned with America's prison system. The report of the 1973 National Advisory Commission on Criminal Justice Standards and Goals puts it succinctly: "The American correctional system today appears to offer minimum protection for the public and maximum harm to the offender . . . corrections are plainly in need of substantial and rapid change."

Just as there is agreement about the inadequacies of today's correctional institutions, so there appears to be agreement in this work-oriented society that prisoners' vocational skills and productivity must be significantly improved. The President's Task Force on Prisoner Rehabilitation (1970) considered that goal to be central.

In this context, our contract entitled "Study of the Economic and Rehabilitative Aspects of Prison Industries" seeks to identify short-term and long-term strategies for changing prison industry systems into self-supporting labor systems while simultaneously promoting the rehabilitation of prison inmates.

The Economic Question

The status of the prison industry is practically analogous to that of the relationship between undeveloped and developed countries. The underdeveloped country and the prison industry are characterized by disguised unemployment and very little economic capital. As in the case of the mercantilistic relationship between England and her colonies, the colonies (the prison industries) are restricted in what they can produce and are, therefore, exploited by the mother country, in this case the outside or free world.

One of our major purposes under this contract was to study alternatives to this relationship. We have set out to identify markets that can be served by prison labor, measure the economic resources required by prison industries to serve these markets, recommend changes in the business management practices of prison industry so as that it may operate effectively, and evaluate the financial returns on this investment.

The Rehabilitative Question

Since the invention of the penitentiary, one rehabilitative concept after another has been evolved and absorbed into the prison system in continuous efforts to overcome the inherent weaknesses of confinement. Isolation, penitence, work, recreation, vocational training, academic education, education for living, individual psychotherapy, pastoral counseling, medicine, psycho-pharmacological approaches, psycho-surgery, social casework, group therapy, milieu therapy, confrontation groups, transactional analysis, and behavior modification have all been tried. Researchers such as Wolfgang, Conrad, Ohlin, and most recently, Martinson, have reported that few, if any, correctional programs have noticeably affected the recidivism rate.

While the available evidence demonstrates that many rehabilitative programs in the prison setting have not worked, it cannot and should not be viewed as proof that present treatment programs in general and prison work programs in particular cannot rehabilitate. This proposition is logically unverifiable in the positive sense. Moreover, our study team has observed occasional programs which do have outstanding records of rehabilitation.[1] This does not mean that imprisonment can continue to be justified on the promise or pretense of rehabilitation; given the available evidence, this would be the height of folly. It does imply that so long as society continues to incarcerate people it is in the social interest to continue the search for prison programs which do rehabilitate at least some offenders.

As regards prison industry, we note that its "treatment" aspects include developing job skills and good work habits, both of which must be viewed as necessary though perhaps insufficient conditions for rehabilitation of offenders. The correlation between recidivism and post-release employment, first documented by Glaser[2], underscores the importance of ex-offender employment to rehabilitation. Yet in the typical prison industry shop, idleness, make-believe work, short work shifts, work interruptions, overmanned shops, and obsolete industrial methods, material and equipment do not enhance the job acquisition prospects of ex-inmate workers. There is frequently a severe mismatch between the jobs in which prisoners are engaged and the labor market demands of the geographical areas to which these workers will return. Moreover, relatively few prison industry workers express an interest in working in a related job upon release; for those who do, little or no job placement assistance is provided.

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[1] Several vocational training programs in Minnesota and the study release program at Willow River, Minnesota have impressive records of successful reintegration of ex-offenders. For further discussion, see Volume II, page 133.

In pursuit of the rehabilitative aspects of prison industries, we have set out to identify ways to change shop operations so that prison industries mirror the "outside world of work" as closely as possible within the prison setting, and provide an effective linkage for ex-offender employment in jobs related to their prison industry experience. In addition, we sought to measure the economic resources required to achieve these changes and to evaluate the financial returns to investment.

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[2] Glaser,Daniel The Effectiveness of Prison and Parole, Rutgers University, 1969.

Specific Tasks of the Study

Several major tasks were required[3] for this study; these are listed in Table I-1. All but the first two tasks are discussed in detail in two volumes of this final report, Volume VI, "Analysis of Prison Industries and Recommendations for Change", and Volume VII, "Technical Tasks and Results." For the convenience of the reader, we summarize here the work performed under the Literature Review and Host State Selection tasks.

Literature Review

The Literature Review was undertaken over a period of ten months, and was constantly revised as new materials were located and reviewed. Altogether, we reviewed and summarized the relevant findings of over 900 books, studies, papers and newspaper articles concerning prisons, work training programs and employment for both Federal and state prisons throughout the United States. A bibliography of source material is provided in Volume III. In addition, we compiled, organized and summarized the statutes and case law pertaining to inmate labor and correctional industries in the seven states selected for site visits. The results of literature review on prison industry operations and the statutory search appear in separate volumes, Volumes II and IV, respectively.

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[3] Statement of Work, Contract J-LEAA-033-75

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Table I-1 Major Tasks of the Prison Industry Study

- Literature Review
- Host State Site Selection
- Job Market Survey
- Inmate Manpower Capabilities Survey
- Sales Market Survey
- Economic and Management Review of Prison Industries
  - Custodial Analysis
  - Production Analysis
  - Financial Management and Accounting System Review
  - Profitability Analysis
  - Post-Release Placement Services and Information Systems
- Program Management Plan Including Time-Phased Recommendations for Prison Industry Reorganization
- Technical Assistance

Host State Selection

To develop a broad understanding of how prison industries function, and to select a single state where we could undertake an in-depth study resulting in the formulation and implementation of recommendations for restructuring prison industries there, we visited Colorado, Connecticut, Georgia, Illinois, Minnesota, Pennsylvania and Washington. In addition, we later had an opportunity to visit and examine the prison industries in Texas. Our team inspected over 34 prisons and 80 individual prison industry shops, where we reviewed their work/training programs, budgets, industry financial reports, institutional inmate records, employment services at release, post-release services and information systems. In addition, we interviewed correctional department administrators, central office staff, wardens, institutional staff, prison industry directors, shop supervisors and inmates. These field site visits afforded an excellent opportunity to develop an understanding of the common problems that hamper prison industry operations and to formulate a framework for introducing prison industry change. In a separate volume on the state-of-the-art of prison industries (Volume V), we describe the operations of the "typical prison industry" and report on outstanding prison industry programs that we had observed during the field visits.

A discussion of criteria used to select the single host state for in-depth study and the ranking of the candidate states appears in a seperate, interim report.[4] The state of Connecticut was selected as the Host state.

Studies Performed in the Host State

Except for the Literature Review and the Host State Selection efforts, all of major tasks of the study were performed in the correctional system of Connecticut, with the major emphasis of study being devoted to the prison industries in the maximum security prison, the Connecticut Correctional Institution at Somers. Figure I-1 provides an overview of the individual studies performed in Connecticut.

In the lower lefthand corner of Figure I-1, we have combined the job market survey, inmate manpower capabilities survey and the prison industry product market survey in a manner indicative of the selection process that we used to identify and evaluate candidate industries for the model industries program in Connecticut.

The job market survey examines the projected future job openings by industry and occupation in various geographical regions of Connecticut corresponding to the major metropolitan areas where the bulk of Connecticut's state prison population will return. The wage scale for the trades related to the job slots available in existing or candidate industry shops in Connecticut was also identified, together with the barriers to the employment of ex-offender workers from these shops.

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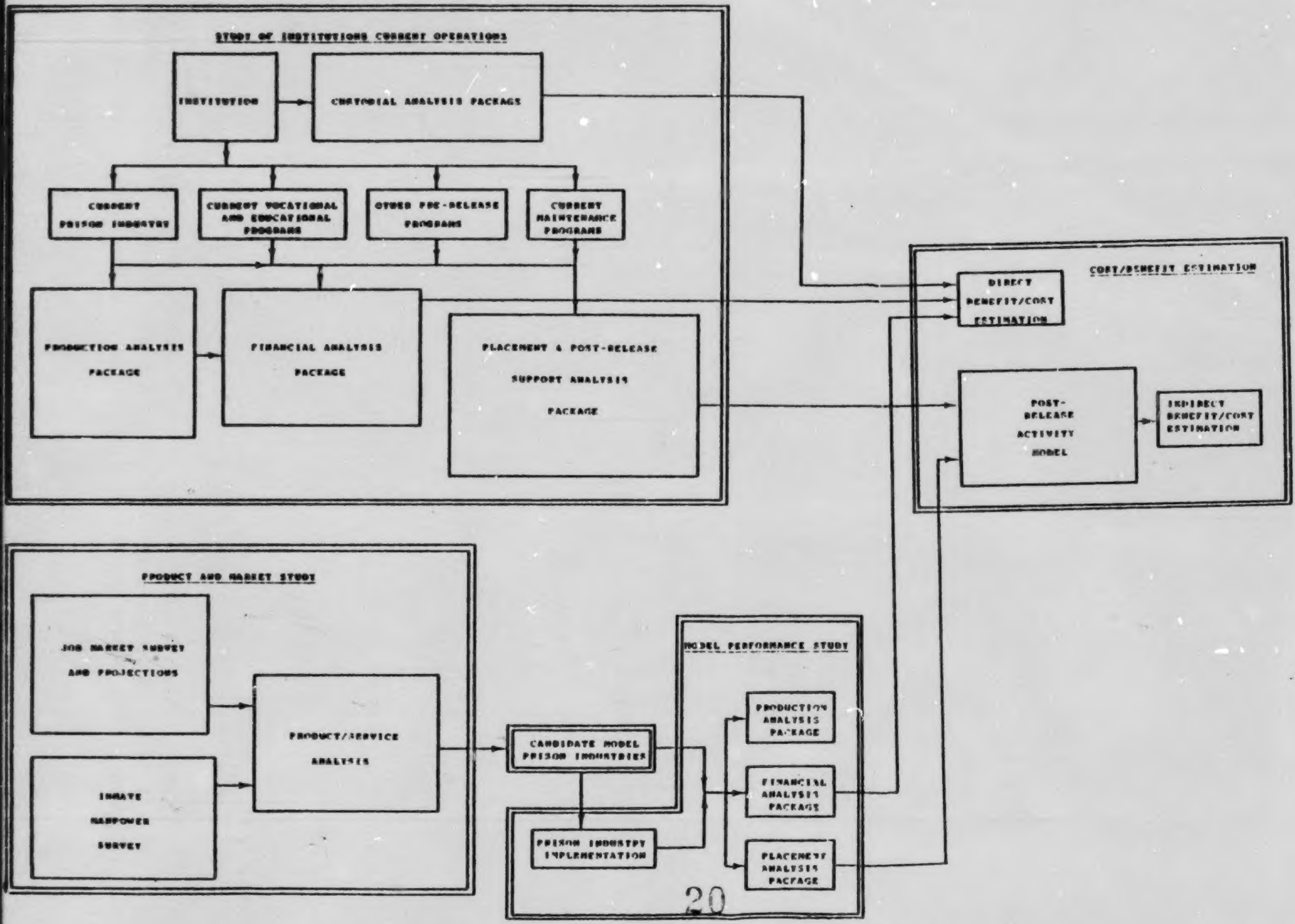
[4] ECON, Inc., "An Interim Report on the Host State Selection Task", November 11, 1975.

Figure I-1 Prison Industry Study Overview


STUDY OF INSTITUTIONS CURRENT OPERATIONS
INSTITUTION
CUSTODIAL ANALYSIS PACKAGE
CURRENT PRISON INDUSTRY
CURRENT VOCATIONAL AND EDUCATIONAL PROGRAMS
OTHER PRE-RELEASE PROGRAMS
CURRENT MAINTENANCE PROGRAMS
PRODUCTION ANALYSIS PACKAGE
FINANCIAL ANALYSIS PACKAGE
PLACEMENT & POST-RELEASE SUPPORT ANALYSIS PACKAGE
COST/BENEFIT ESTIMATION
DIRECT BENEFIT/COST ESTIMATION
POST-RELEASE ACTIVITY MODEL
INDIRECT BENEFIT/COST ESTIMATION
PRODUCT AND MARKET STUDY
JOB MARKET SURVEY AND PROJECTIONS
INMATE MANPOWER SURVEY
PRODUCT/SERVICE ANALYSIS
CANDIDATE MODEL PRISON INDUSTRIES
PRISON INDUSTRY IMPLEMENTATION
MODEL PERFORMANCE STUDY
PRODUCTION ANALYSIS PACKAGE
FINANCIAL ANALYSIS PACKAGE
PLACEMENT ANALYSIS PACKAGE

The inmate manpower survey focused on the compilation of a biographical profile of potential inmate workers within the state prison system of Connecticut. In addition, we conducted a survey of those characteristics which may limit the size of the work force available to the several industrial shops. These factors include the nature of the criminal history of the potential work force, the distribution of length of sentence, education and vocational experience, and the vocational aspirations of the potential inmate work force. In addition, we examined the existing classification and assignment process to determine its impact upon the supply/demand aspects of the industrial work force.

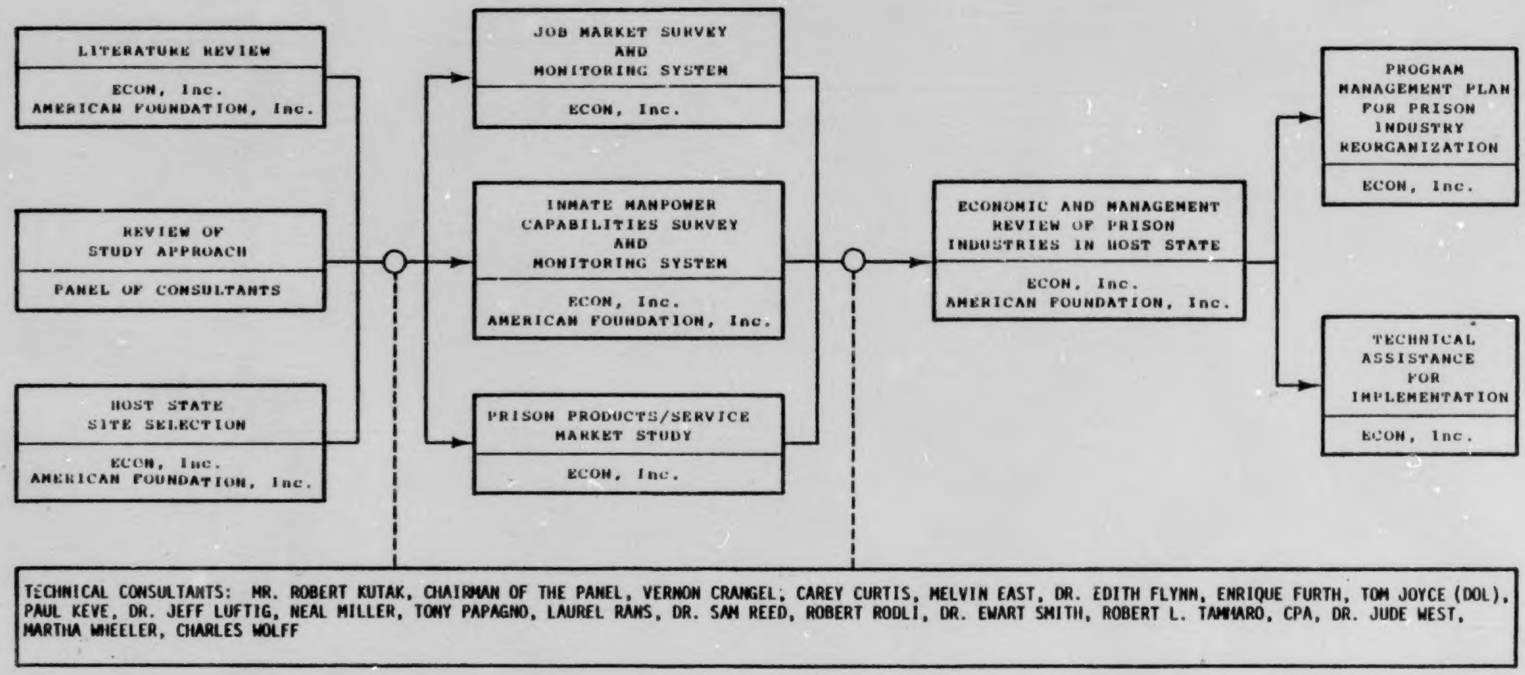
The job market survey and inmate manpower survey were then integrated with a correctional industries product/service sales analysis to check on the suitability of existing or future shops for prison industry. The integration of these studies included an examination of the market demand for the product or service, the capital investment requirements, the projected manpower requirements, the training requirements, and the versatility of the shop equipment and risk of obsolescence.

In the upper portion of Figure I-1, we highlight the major tasks undertaken as part of the economic and management review of existing prison industries, above and beyond the job market survey, inmate manpower survey and product/service sales analysis. At the institutional level, we conducted a custodial analysis which sought to determine the institutional impact of the existing industries program in terms of disciplinary infractions, vandalism and sabotage, and work/program interruptions. Next, for each of the existing industry shops in which, during the course of our surveys, the inmates expressed interest in related post-release jobs, we conducted a production analysis, a financial analysis and an analysis of the placement and post-release information systems and the support services available to inmate workers and the impact of these on their post-release experiences.

As indicated in Figure I-1, the outputs of the individual tasks became separate inputs into an overall industrial program evaluation package designed to assess the costs and benefits of the existing and projected new industrial shops.

Organization of the Study Team

An overview of the study team that was assembled to perform the various tasks of this study is provided in Figure I-2. In addition to the assignment of the specific tasks to specific individuals within ECON, Inc. and The American Foundation, Inc., a substantial number of consultants were brought together to contribute their technical expertise in one or more specialized areas of the study. As indicated in Figure I-2 a Panel of Consultants was assembled of persons with special interest in and knowledge of


LITERATURE REVIEW
ECON, Inc.
AMERICAN FOUNDATION, Inc.
REVIEW OF STUDY APPROACH
PANEL OF CONSULTANTS
HOST STATE SITE SELECTION
ECON, Inc.
AMERICAN FOUNDATION, Inc.
JOB MARKET SURVEY AND MONITORING SYSTEM
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INMATE MANPOWER CAPABILITIES SURVEY AND MONITORING SYSTEM
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ECONOMIC AND MANAGEMENT REVIEW OF PRISON INDUSTRIES IN HOST STATE
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PROGRAM MANAGEMENT PLAN FOR PRISON INDUSTRY REORGANIZATION
ECON, Inc.
TECHNICAL ASSISTANCE FOR IMPLEMENTATION
ECON, Inc.

TECHNICAL CONSULTANTS: MR. ROBERT KUTAK, CHAIRMAN OF THE PANEL, VERNON CRANGEL, CAREY CURTIS, MELVIN EAST, DR. EDITH FLYNN, ENRIQUE FURTH, TOM JOYCE (DOL), PAUL KEVE, DR. JEFF LUFTIG, NEAL MILLER, TONY PAPAGNO, LAUREL RANS, DR. SAM REED, ROBERT RODLI, DR. EWART SMITH, ROBERT L. TAMMARO, CPA, DR. JUDE WEST, MARTHA WHEELER, CHARLES WOLFF

Figure I-2 Overview of Study Team Organization

the legislative, correctional, industrial and management/ labor aspects of industry generally, and prison industry specifically. This advisory panel met with the study team on two separate occasions.

At the first meeting, we sought the Panel's reactions, information and advice on many subjects, including possible problems to be encountered, insights relative to the selected states in which the field visits would be conducted, and critical comments concerning ECON's proposed methodology. The first meeting of the Panel was conducted just prior to the beginning of the field visits and was most helpful to the research staff in terms of increasing awareness of problem areas, questioning preconceptions, and preparing for field work.

The second meeting of the Panel of Consultants was conducted at the conclusion of the field visits, after some preliminary results had been obtained in the host state, Connecticut, regarding the job market survey, the inmate manpower survey, and the prison products/market survey. At this meeting, the findings of our field visits and studies in Connecticut were discussed, and advice was sought from the Panel on the short-term and long-term strategies for introducing prison industry change.

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B. Critical Issues in the Evaluation of Prison Industries

From the outset of the study, we sought to identify the critical issues for the evaluation of prison industries by viewing those in Connecticut within a systems framework. Figure I-3 shows the key elements of this framework, namely, data inventory, labor, capital and products, demand and supply, and correctional policies and legal constraints which affect prison industry operations. Data inventory refers to information which details the quantity and quality of various types of resources--both capital and labor--within the prison setting and how these are utilized in the daily industrial operations. Data inventory also refers to the objective and performance measures and existing business management systems and procedures which guide the operation of prison industries. Our primary concern with these latter elements was to understand the management decision process regarding methods of capital investment, finance, selection of the mix of products and services, emphasis of work programs, work incentives, marketing programs, training programs, job referral and placement services, and ex-offender follow-up programs.

This information affects both the demand and supply analysis of prison industries. On the labor supply side, it determines and limits to a large extent those skills in which prisoners will be trained; on the labor demand side,

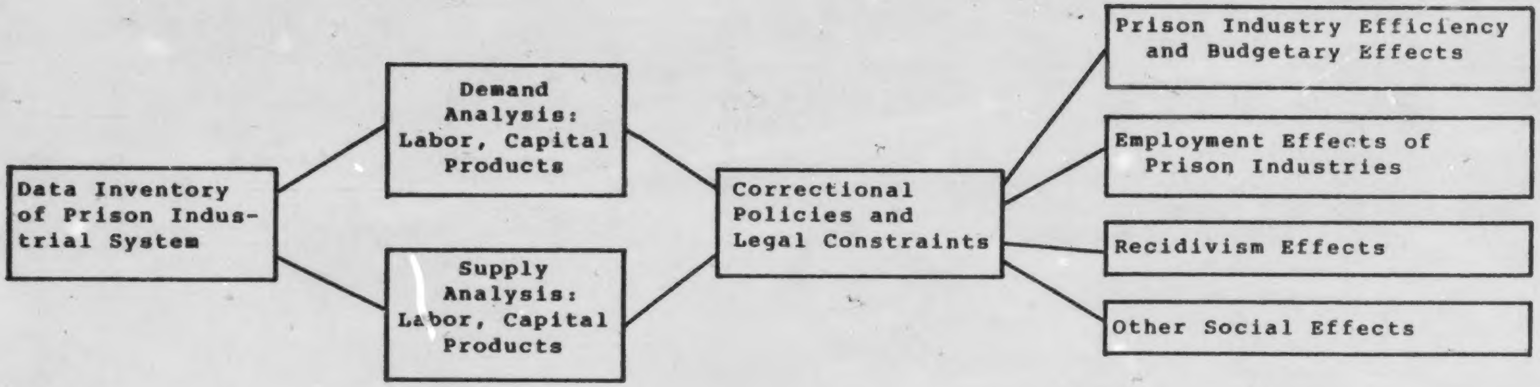
Data Inventory of Prison Industrial System
Demand Analysis: Labor, Capital Products
Supply Analysis: Labor, Capital Products
Correctional Policies and Legal Constraints
Prison Industry Efficiency and Budgetary Effects
Employment Effects of Prison Industries
Recidivism Effects
Other Social Effects

Figure I-3 Framework for Analysis of a Prison Industrial System

[redacted]

it determines to some extent the likelihood that ex-convicts will be able to find jobs. As for product supply, the type of equipment available limits the type of products that can be produced. In terms of product demand, the effectiveness and scope of the marketing effort largely determine the amount of a product that can be sold.

The labor demand analysis focuses on the demand for ex-offender labor by occupational skill in various geographical areas to which the inmates will return. Not only is the labor demand information required at a given instance in time, but projected trends in general labor demand over at least several years is required.

The labor market supply analysis requires information on the supply of labor over time by job skill available from both the non-offender and ex-offender population by location of the ex-offender population. For the near future ex-offender population, a manpower survey of offender skills, aptitudes, work experience, education, etc. is needed.

In addition to the inventory data on quality and quantity of different types of capital equipment, the capital demand analysis requires information on how much will be invested in the future for different types of capital equipment. Potential relocation and redesign of the state prison system into smaller structures will have a bearing on the types of equipment needed, the organization of the production processes, etc.

On the capital supply side, the supply of future capital depends on the cost of equipment, subject to possible legislative constraints on the amount of money permitted to be spent on capital equipment. These constraints may force insufficient amounts of capital equipment to be available to prison industries.

The results obtained for the product demand analysis depend on the type of products produced, their quality and price, the marketing effort, the degree of possible bias against prison-made products, statutory constraints on where products can be sold and the state of the economy. Product supply depends on the quality and quantity of prison labor, the effectiveness of efforts to upgrade the quality and quantity of capital, the amount of new capital that is utilized and planned, and the organization and operational efficiency of prison industries.

While the demand and supply analyses affect the desired correctional policies, the existing correctional policies and legal constraints in turn impact the current demand and supply situation. Policies that affect the availability of prison-made products and thus the demand and supply of prison-industry labor are numerous. Work release, wage policies, new architectural concepts (small shops and few men), and institutional security procedures are examples of such policies. Federal and state statutory constraints also affect the availability of prison industry products. As correctional policies and basic legal provisions are revised, a considerable shift could occur in the demand and supply of prison labor.

The interactions between correctional policies and the existing and projected demand and supply situation determine the effectiveness of correctional policies in terms of the objectives of such policies. Specifically, correctional policies, e.g., allowing frequent work interruptions, will affect prison industry efficiency and also have budgetary implications. For example, how efficiently will labor and capital be utilized by prison industries under different correctional policies concerning wages, institutional schedules, work interruptions, and what are the budgetary implications of different levels of efficiency and different correctional policies? Correctional policies also will affect the ability of ex-offenders to obtain employment. Another important result of correctional policies will be their effect on recidivism. What is the relationship between correctional policy and the frequency of ex-offender return to prison, or the severity of new crimes committed by ex-offenders? A fourth important aspect of correctional policy is its social impact both within and without the prison; e.g., how do the policies and practices of the correctional institution affect the probability of crime, ergo victimization?

C. Definition of a New Charter for Prison Industries-The Free Venture Model

1. Background

From the examination of prison industries in the seven states visited during the Host State Site Selection task, it was found that with rare exceptions, prison industry contributions to the state, the prison, and the inmate worker fall far short of their potential. Potential contributions include: savings to the state in terms of reduced state agency purchasing expenditures, reduced criminal justice costs, prison industry wages and profits; benefits for the prison in terms of a reduced rate of disciplinary infractions and a more normal social atmosphere; benefits to the inmate worker in terms of his ability to provide family support, and to participate in industrial training, and job placement.

Table I-2 presents a possibly oversimplified, yet useful, taxonomy of the typical problems which we found to affect prison industry operations. The taxonomy is shown in a hierarchical form, which corresponds to the cause and effect relationships that became apparent to us in the course of the study.

The problems identified in our study which are highlighted in Table I-2 (and detailed in Volume V), and the recent trend among states to review their prison industries with an eye toward change have led us to see the need for a new charter for Correctional Industries: one designed to

Table I-2 A Hierarchy of Typical Problems Affecting Prison Industry Operations

- Political Realities-dictating a low profile operating mode
- Limited Markets--even where state-use laws are present
- Lack of well defined industry goals and standards of accountability
- Constraints of institutional routine
- Prison industry management/operations problems
    - low wages and productivity
    - short work days
    - overstaffing of shops
    - high overhead
    - poor financial records and controls
    - lack of transferable skills
    - limited preparation for community release
    - limited marketing efforts
    - lack of accountability

encourage Correctional Industries to approach the realization of their full potential. We call the proposed charter the Free Venture model for Correctional Industries.

2. The Broad Goals of the Free Venture Model

The dominant theme of this model prison industries project is work--not busy work, but productive labor with outside world efficiency, outside world wages, and outside world relevance--having as its dual objective financial self-sufficiency and success in the reintegration of ex-offenders into society. Toward these ends, ECON, Inc. has proposed that Correctional Industries adopt a fresh approach to guide its operations. The Free Venture model for Correctional Industries is designed to emulate the outside world of work as closely as is possible within the prison setting. The broad goals of the Free Venture model are:

- a realistic work environment, including
    - a full work day
    - inmate wages based upon work output
    - productivity standards comparable to those of outside world business
    - hire and fire procedures, within the limits of due process rights
    - transferable training and job skills
- partial reimbursement of the state by inmates for custody and welfare costs, as well as restitution payments to victims
- graduated preparation of inmates for release into community
- fixing responsibility--with financial incentives and penalties--for job placement of inmates upon release into the community

- financial incentives to prison industry for successful reintegration of offenders into the community
- self-supporting or profit-making business operations.

The Free Venture model is intended as an umbrella concept which, while defining a mode of Correctional Industries operations, is nonetheless broad enough to encompass a wide variety of business modes and operating procedures. For example, the business modes could include state-run prison industries, private industry managed prison shops (either on a contract basis for management services to operate a shop utilizing state-owned equipment and inmate labor, or as a joint enterprise with the state such as a not-for-profit corporation with a sharing of capital investment, materials and labor costs, or by leasing space from the Department of Correction and setting up a for-profit production/service shop within the prison and contracting for inmate labor with the Department of Correction) and inmate owned and/or operated businesses under the supervision of state officials. The operating procedures of different Free Venture shops might differ widely in respect to inmate remuneration: some shops may lend themselves best to straight hourly wages, others to piece work rates, still others to profit sharing and bonus arrangement plans. There is no single best combination of business form and operating procedure for which one can argue persuasively on an a priori basis, nor does the Free Venture model attempt to prejudge the issue. Rather, ECON, Inc. would prefer to have such issues decided by the market test. Which is to say we would prefer to encourage Correctional Industries' management to proceed in the implementation of the Free Venture model by testing several business forms and wage remuneration schemes in different institutional environments in the spirit of a willingness to innovate, monitor the program results, and adjust shop operations in accordance with experience. The only "optimal" strategy that can be recommended a priori is to test several variations in the business forms and operations simultaneously, discarding those which do not work very well, and pursuing vigorously those which do. This approach is, after all, the one by which the world of free ventures operates.

Specific recommendations to operationalize each goal of the Free Venture model in the prison industrial system of Connecticut are discussed in detail in Chapter II of this volume.

D. Basic Tools and Concepts in the Economic Analysis of Prison Industries

This section reviews the basic economic concepts and tools used to evaluate the economic benefits of the Free Venture prison industry program. The funding of the Free Venture program will involve costs in excess of what would be spent were it not for the program. Later in this volume, recommendations are made for new capital equipment, space and staff personnel. These represent investments by society (whose agent is the state) which, like any other investment, are made for the purpose of realizing future benefits. The taxpayer has the right for an assessment of the economic benefits and costs of new investments in prison industries as exemplified by the Free Venture program.

For the fact that investments in prison industries will involve the diversion of funds from the private to the public sector, this section first addresses the concept of public goods and the rationale for government spending. Then, since the expenditures on new and expanded prison industries will precede benefits that may accrue from them, consideration must be given to the social rate of discount. This is the function by which economic activities which occur in different periods of time may be related to a common reference point. Third, the technique--as opposed to the theory--of discounting is addressed. Next, the general benefit/cost model is presented; and finally, the methodology by which one measures the specific benefits accruing from the Free Venture Industries program is presented.

1. The Concept of Public Goods and Rationale for Government Spending

A working definition of a public or social good is a good or service which, if "consumed" by one individual, does not reduce another's consumption. The market implications of the concept of a public good are significant. Most goods have a "price tag." That is, the consumer can decide whether to purchase this good or service based upon his budget and individual tastes and preferences. If one consumer purchases a car, that (specific) car is not available to anyone else. The two effects have occurred through the purchase of the car:

(1) by purchasing that item, the consumer has excluded anyone else from consuming that particular good (the exclusion principle), and

(2) the purchaser or consumer has internalized the cost of producing the particular unit purchased.

These two effects are looked upon as the "market" test for public versus private goods. Failure to pass this test is said to be a case of "market failure";[5] and the goods and services in question are candidates for public provision.[6]

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[5] This does not imply a value judgment.

[6] It is important to stress that these goods are but candidates for public provision. They do not necessarily have to be publicly provided. The reasons for their public provision are basically due to an inherent inactivity for a "market" to determine an "economically efficient" set of prices given the failure to pass the market test. Development of this argument is too lengthy and specialized for this report. The reader is referred to an excellent review of the subject in Jesse Burkhead and Jerry Miner, Public Expenditure, Chicago: Aldine-Atherton, 1971.

Conversely, necessary although not sufficient conditions for public provision is that they are not subject to the exclusion principle, and have external effects or "externalties" as they are usually called.[7,8]

It is generally recognized that it is in the interest of social well-being to provide certain goods and services, the individual consumer does not determine how much to allocate for their provision. Typical of these decisions are allocations to defense, education, criminal justice, etc. These goods and services then are called public goods.

It is important to recognize that the measure of social well-being is social benefits, not public benefits or private benefits. Although it is deemed in the social welfare that the government provide certain collective goods and services, the government itself does not benefit in any economic sense from providing any of these. The government is but an agent of the people; and to regard it as a separate unit or beneficiary is to misunderstand one of the central ideas of optimal economic allocation. Once the good or service is provided, it is equally available to all; and one person's consumption of this good or service does not affect the amount available to others.

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[7] Externalties may be either costs or benefits.

[8] Calling these externalties is only to posit that there is no free market mechanism to internalize the costs and benefits.

2. The Social Rate of Discount

The concept of social rate of discount and the technique of discounting relate to society's so-called rate of time preference. Briefly, society's rate of time preference may be defined as a rate of interest which reflects the consumer's subjective, relative evaluation of given quantities of consumables available at different points in time. For example, if, in year 0, consumers assign the same value to 100 units of consumables available immediately as they do to the certain prospect of receiving 105 units of consumables one year hence, then their rate of time preference is said to be 5 percent. Alternatively, the rate of time preference may be defined as the rate of interest which consumers would have to be offered in order to persuade them to forego current consumption in favor of future consumption.

Any investment project--public or private--involves the sacrifice of consumables at some point in time for the sake of increased consumption at one or more subsequent points in time. This rate must somehow be reflected in the social rate of discount used in the evaluation of public projects.

There is, however, another side to the social discount rate. The social opportunity costs of a public project are the benefits foregone when the economic resources used by the project are diverted from the private to the public sector. The social rate of discount should reflect these opportunity costs as well.

Assume, for example, that all of the resources devoted to a public project would have been used in the private sector for investment outlays promising an annual rate of return of 10 percent before corporate income taxes and after an allowance for the eventual replacement of worn out equipment. Suppose the resources transferred to the public project were $1 million. Then the public project could be justified economically only if it also promised a benefit stream (necessarily accruing to members of the private sector at large) equivalent to an annual benefit stream of $100,000. An alternative way of expressing that is that the present value of the benefit stream produced by the public project, discounted at 10 percent, must be at least as high as $1 million or, that the net present value (NPV) of the project must be greater than or at least equal to zero.

The interest-rate concept used in the preceding paragraph is sometimes referred to as the time productivity of economic resources. It is the rate of return which society is able to earn in the private sector by sacrificing current consumption in favor of future consumption, i.e., by investing economic resources in productive investment projects. In contrast, society's rate of time preference is the rate of return for which society is willing to sacrifice current consumption for the sake of increased future consumption. These two interest-rate concepts should not be confused: the rate of time productivity is an objective, technical concept; the rate of time preference, on the other hand, is a purely subjective concept.

In the real world, a resource transfer from the private to the public sector does not usually come solely from private investment projects: part of the resources will surely come from private consumption. It follows that the opportunity costs of the resource transfer must reflect the spectrum of time preference rates for those who sacrificed current consumption as well as the spectrum of rates of return on foregone private investments. This requirement creates enormous difficulties in any attempt to estimate an appropriate social discount rate for practical applications of benefit/cost analyses.

The fundamental idea underlying this estimation process is always the same: one seeks to estimate the magnitude of the sacrifice borne by the private sector when resources are transferred from private consumption or investment to public sector use, and to express this sacrifice in the form of an annual rate of return, r.

3. The Technique of Discounting

Discounting is a technique that allows a time stream of costs (or benefits) to be expressed as a single numerical value. The parameters are the numerical values of the annual costs, the value of the social rate of discount, and the reference date to which the annual values are to be discounted. Given those inputs, the Present Value (PV) is expressed by the following formula

$$PV\ (t=0) = \sum_{t=1}^{N} \frac{C(t)}{(1+r)^{t}}$$

in which t=0 is the reference date to which the annual costs are discounted, C(t) is the cost incurred in year (t), and r is the social rate of discount. For simplicity it is assumed that all costs are incurred at once on the first day of the year (t).

Figure I-4 shows five payments made at the beginning of each time period, t=1, t=2, etc. Their numerical, undiscounted sum is $500. The problem is to express the cash flow as a single value as of the reference date, t=0.

Using the formula given above and a discount rate of 10 percent, the present value of the cash flow is:

$$\frac{100}{1.10} + \frac{100}{(1.10)^{2}} + \frac{100}{(1.10)^{3}} + \frac{100}{(1.10)^{4}} + \frac{100}{(1.10)^{5}} = 379.$$

Thus, at a ten percent discount (interest) rate, $379 at t=0 is economically equivalent to five payments of $100 each over five years starting at t=1.[9] Were the

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[9] Note that later costs (or benefits as the case may be) are more heavily discounted then earlier ones, i.e., $PVC\ (t=1) = \frac{100}{1.10} = 91$; $PVC\ (t=5) = \frac{100}{(1.10)^{5}} = 62.$

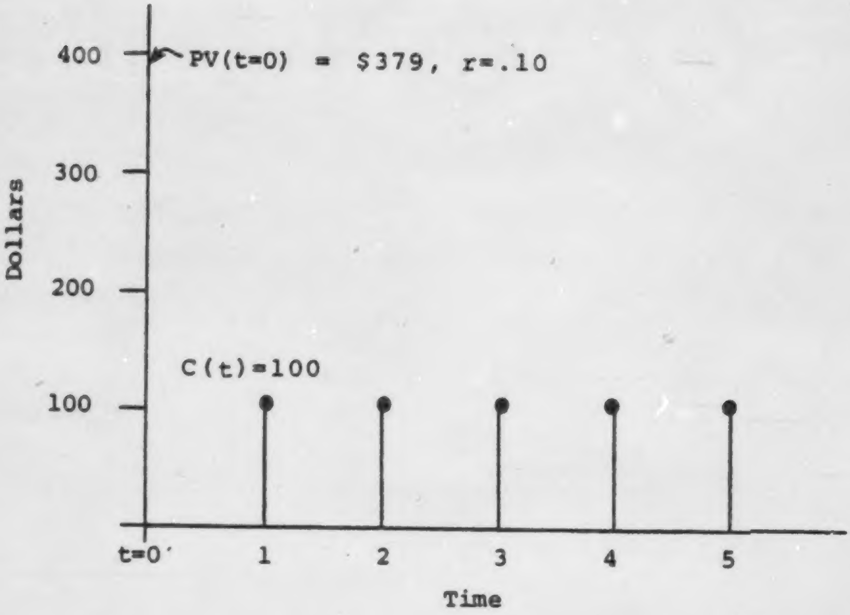

Figure I-4 Illustration of the Present Value of a Cash Flow

discount rate 5 percent, the present value of the five year cash flow would be (in the example) $433; were the discount rate 15 percent, the present value would be $335. The higher the discount rate, the lower the present value, and vice versa.

Because benefits and costs accrue over time and because costs are incurred before benefits accrue, the discounting technique is essential in benefit/cost analysis. In the next sections, a further development of the benefit/cost model is given and then are developed the specific ways the methodology will be implemented for this study.

4. Benefit/Cost Analysis

Figure I-5 illustrates a basic model for benefit/cost analysis. In the model, a cost stream of $100/year over period t=1 through t=3 and a benefit stream over the period t=3 through t=10 are anticipated.[10] The model displays the expected characteristics of an investment decision model; i.e., costs are expended first, with the expectation that benefits will be yielded later.[11,12]

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[10] Note that it is possible (and in fact it will be almost certain) to have simultaneous benefits and costs. Another way to have shown the model would have been in terms of "net benefits" i.e., benefits minus costs.

[11] The precise estimation of the annual benefits and cost is not important at this point. The issue is that there will be "benefits" and "costs", however defined and estimated.

[12] For simplicity, an equal-value annual cost and benefit stream was presented.

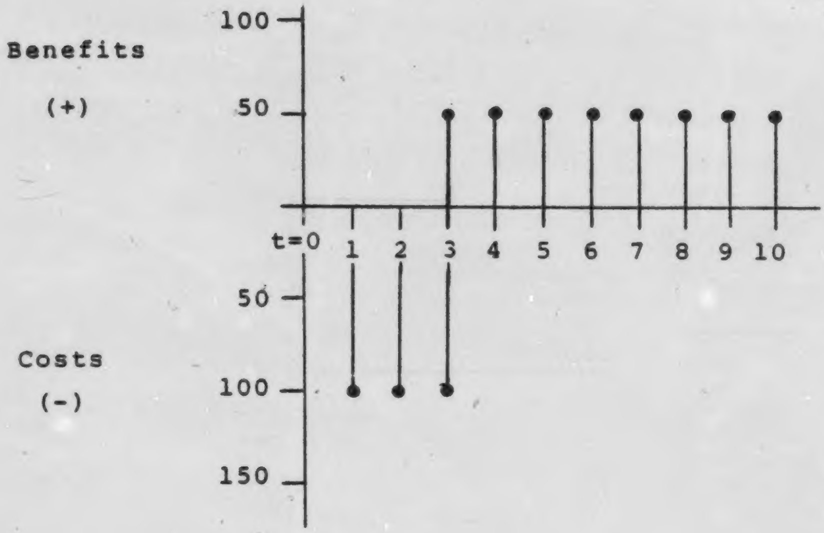

Figure I-5 Benefit/Cost Model

The exact value of the discount rate is difficult to determine as it contains both subjective and objective elements. Were the Connecticut Department of Correction contemplating the investment illustrated in the basic model, and required by the Department of Finance and Control to use a discount rate higher than 6.9 percent, the investment would not be economically justified. An appropriate discount rate suggested for use is the current average yield on the state's borrowings (7.25 percent).[13] At the Federal level, the Office of Management and Budget [14] imposes a 10 percent discount rate. In the economic evaluation of prison industries, both discount rates will be used.

The economic question is to determine whether the costs and benefits, if realized, would constitute an economically sound investment. The definition of economically sound is that the present value of benefits is equal to or exceeds the present value of costs, or put another way, the net present value (NPV) of benefits (present value of benefits minus present value of costs) is non-negative.[15]

Table I-3 contains a calculation of the present value (PV) of costs and benefits and NPV of benefits for

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[13] The equivalent of Connecticut's Finance and Control.

[14] Private communication with the Connecticut Department of Commerce.

[15] If the net present value is exactly zero, then the investment just pays for itself.

Table I-3 Project Evaluation

Discount Rate r	Present Value		Net Present Value
	Costs	Benefits	
5%	$272	$293	$ 21
10%	$249	$221	$ -28
15%	$228	$169	$ -59

the conditions given in the basic model under different discount rate assumptions.[16]

As indicated in Table I-3, at a five percent discount rate, the NPV is positive; at the higher rates of 10 and 15 percent, it is negative. The discount rate at which the NPV equals zero is 6.9 percent.[17,18] In order to break even at 10 and 15 percent discount rates, the annual benefits would have had to be $56 and $67, respectively.

5. The Measurement of the Economic Benefits of the Free Venture Program

Benefits

Activities provide economic benefits in only one measure: their contribution to social welfare. This is usually measured by their contribution to the Gross National Product, the market value of all goods and services. A benefit may be manifested either in the form of value added or in cost reduction. Value added is the individual contribution of labor, capital and land to transform an input into an output of higher value, the measure of value being what the market is willing to pay. For example, a machinist adds skills along with capital (for instance, a lathe) to transform a piece of metal into another object. Whereas the piece of metal was purchased for $1, it is sold in its transformed state for $5. The difference between the input price and the output price, $4, is the value added--by the worker, the capital, the organization talents of the owner/entrepreneur. Capital generates interest, the owner receives profits, and the worker receives a wage which is representative of his contribution to the value added.

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[16] Recall from a previous section that the role of the discount rate is to weight the opportunity cost of investments made in the public sector.

[17] This is commonly referred to as the "internal rate of return" of a project.

[18] Note that although higher discount rates reduce the present value of both benefits and costs, the benefits--because they occur later--are burdened relatively more.

This leads to the first benefit measures of industries: (1) the wages and profits of prison industries and (2) the wages of employed ex-offenders above those which they would have received without the prison industry program.[19] They are represented by B_1 and B_2 in Figure I-6.

The third source of economic benefits is cost reduction. An activity that reduces the cost of production yields an economic benefit. This is for the reason that the same level of output can be accomplished at a lower resource cost, and the freed resources may then be put to the use of the production of additional output.

When Correctional Industries provides goods and services to state agencies at comparable quality but lower prices than private sector suppliers, this is a case of

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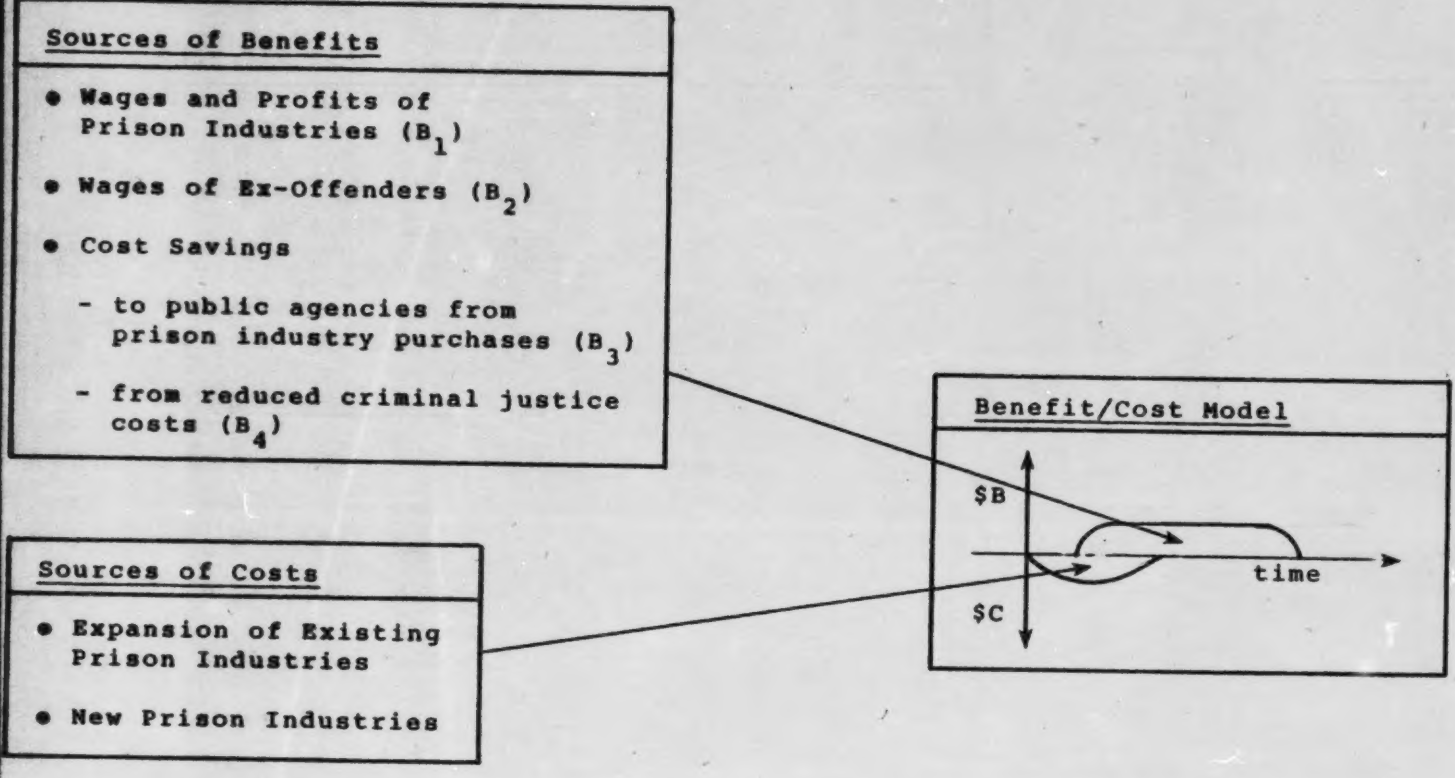
[19] The method by which information will be acquired to estimate this benefit is presented in Volume VII, "Technical Tasks and Results," of ECON's final report.



Sources of Benefits

- Wages and Profits of Prison Industries (B_1)
- Wages of Ex-Offenders (B_2)
- Cost Savings
  - to public agencies from prison industry purchases (B_3)
  - from reduced criminal justice costs (B_4)

Sources of Costs

- Expansion of Existing Prison Industries
- New Prison Industries

Benefit/Cost Model

Figure I-6 The Sources of Economic Costs and Benefits of the Free Venture Model

cost-reduction benefits (B_3 in Figure I-6). The state agencies may then reduce their purchasing budgets (reduce taxes) or expand their service levels through additional purchase, keeping their budget constant.

The fourth and potentially the largest source of benefits--from the industries program--is from reduced criminal justice costs due to reductions in recidivism (B_4). This is particularly so with respect to the costs of incarceration which dominate those criminal justice cost elements which can be measured on a per case basis.

II. THE FREE VENTURE MODEL FOR CORRECTIONAL INDUSTRIES IN CONNECTICUT

A. Description of Correctional Industries' Current Organization and Operations

Following the seven state visitation to examine a sample of prison industries in the United States, the basic characteristics of a Free Venture model for Correctional Industries were developed. This was a model which the members of the study team felt could be implemented in most states which have prison industries. The task then became one of molding the basic model to fit a specific state situation. The months following the formulation of the basic model were spent in a close-up review of the prison system and prison industries in Connecticut--a task designed to result in the implementation of the Free Venture model there. To better understand the challenges inherent in adaptation of the basic model to the specific Connecticut situation, a brief look at the Connecticut prison industrial system is in order.

1. Overview of Correctional Industries in Connecticut

The Connecticut Department of Correction was statutorily created in 1968 by legislative action. It is designed as a comprehensive unit of government with parallels in only three other states. It includes not only the four major institutions--Somers, Enfield, Cheshire, Niantic--but also is responsible for parole supervision and the county jails, which are now administered as community centers.

The four prisons and their major prison industry characteristics are:

1. Somers, which opened in 1963, is the only maximum security facility for sentenced adult male felons. It is located in the northern section of the state and has a rated capacity of 984 inmates and a 1976 average population of 954. The total staff complement is 537. There are 13 prison industry shops, making Somers the largest industrial operation. These include clothing, laundry, print, three furniture shops (finishing/refinishing, upholstery and woodworking), dental, optical, small engine repair, data processing (recently closed), small appliance repair and industries' business office and warehouse. In the past year, an average of 280 inmates have been employed here in these industries with gross sales of approximately $400,000.

2. Enfield, a minimum security facility for sentenced adult male felons, opened in 1963 and is located across the road from Somers. The compound houses 10 buildings on 1,500 acres and has a rated capacity of 400 inmates, although the 1976 average population has been 357. The staff complement is 159. Inmates are housed primarily in private rooms, with a dormitory for new admissions. Sixty-seven percent of the inmates are assigned outside the compound to agricultural or CETA-funded pre-vocational training. Industries currently in operation include dairy and farming operations, an industrial garage for maintenance of Department motor vehicles, and a sign shop. In the last year, 104 inmates were employed in industries, and gross sales totaled approximately $600,000.

3. Cheshire, a facility for youthful sentenced offenders aged 16 to 21, was opened in 1909. It is located in a suburban community in the geographical center of the state, and has a rated capacity of 460, although the 1976 average population has been 396. The staff complement is 231, more than half of which is noncustodial. Industrial operations include

print shop, mattress shop, furniture manufacture, and tag shop. In the past year, 94 inmates were employed, and sales totaled approximately $275,000.

4. Niantic, a facility for all pre-trial and sentenced women committed to the Department, opened in 1917. It is located on the Long Island Sound shoreline, has no fences, and consists of six live-in cottages, an administration building, a chapel, and a school. The rated capacity is 195 and the average 1976 population has been 146. The full time staff complement is 147. The two main industrial operations are keypunch and sewing. In the past year, 18 inmates worked in these industries and sales totaled $26,000.

All of Correctional Industries' shops are contained within the above mentioned four prisons. Table II-1 provides a summary description of the labor force by shop.

An overview of the scope of Correctional Industries' operations can be gleaned from Figures II-1 and II-2 which display industries' growth over the past five years in terms of sales and size of work force. The major contributing shops to the business record of the past five years were as follows:

- Somers - Clothing Shop, Laundry Shop, Print Shop, and the three Furniture Shops;
- Enfield - Sign Shop and the Dairy;
- Cheshire - Tag Shop and Print Shop;
- Niantic - negligible.

Unfortunately, Correctional Industries' profitability data on many of these shops is highly erratic and misleading. For reasons of poor existing accounting practices and financial controls (discussed later in Chapter III-A.3.) no meaningful information of shop profitability can be

Table II-1 Description of Existing Correctional Industries

Shop	Average # of Inmates Employed In 1975	Number of Staff	Products
Somers			
Clothing	37	2	Institutional Clothing
Print	29	2	State Forms
Upholstery	20	2	Chairs, Couches
Data Processing	17	1	Computer Products
Laundry	34	4	Institutional Laundry Services
Small Engine	14	2	Lawn Mowers
Typewriter Repair	15	1	Electric and Manual
Dental Laboratory	11	1	Dental Plates
Optical	7	1	Lens, etc.
Furniture	70	4	Wood Furniture
Warehouse	7	1	Storage Services
Business Office	19	1	Administrative Services
Enfield			
Sign	43	4	Highway Signs
Dairy	31	4	Milk
Agriculture	10	1	Animal Feed
Garage	20	2	Repair & Service of Industry Vehicles
Cheshire			
Tag	36	4	License Plates
Print	38	5	Books, Forms, Signs
Cabinet	15	2	Furniture
Tool and Die	8	1	Maintenance
Niantic			
Keypunch	10	2	Punched Cards
Sewing	8	1	Repaired Clothing

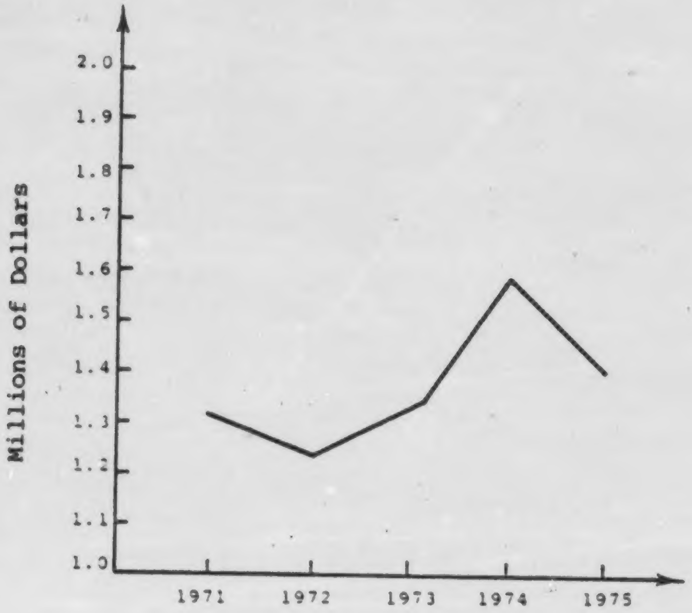


Figure II-1 Correctional Industries' Annual Sales

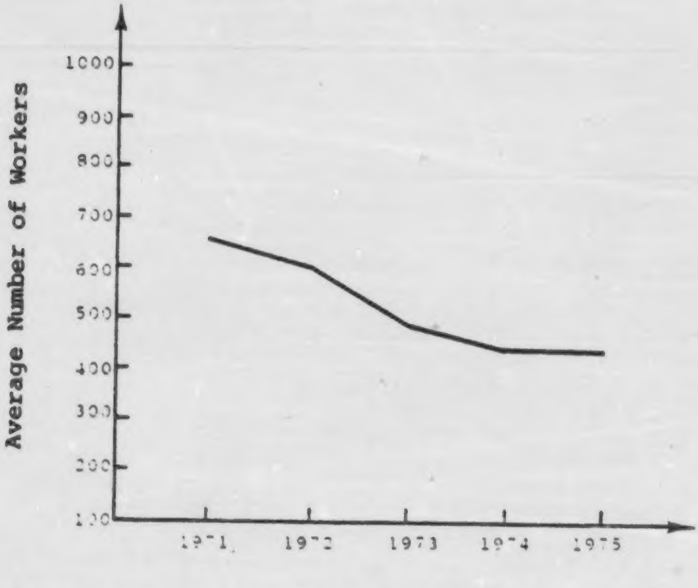


Figure II-2 Correctional Industries' Annual Work Force

presented here for the past five years of operations.

In addition to the four prisons, the Department of Correction operates six Community Correctional Centers (formerly county detention facilities) which house accused continued holdovers, and short term sentenced (one year or less) inmates--in addition to the work and education releasees. The six facilities have a combined rated capacity of 1608, a 1976 average population of 1330, and a total staff of 472. There are also 25 units housing community releasees and halfway residents, most of which are administered and supported by agencies outside the Department. Figure II-3 depicts the geographical location of the prisons and jails within the State of Connecticut.

The Department of Correction has recently embarked upon a building program to replace and/or renovate its old Community Correctional Centers and plans to intensify its present program of phased re-entry into the community. In addition, recognizing that crucial post-release services to paroling or discharging inmates (welfare, medical assistance, family problem resolution, vocational training, placement and legal assistance) are generally scattered throughout various geographical areas, the Department of Correction plans to start in fiscal year 1977 three Multi-Service Centers in Hartford, New Haven and Bridgeport. These Centers will consolidate the efforts of private, Departmental and other public sector service agencies by providing one physical location

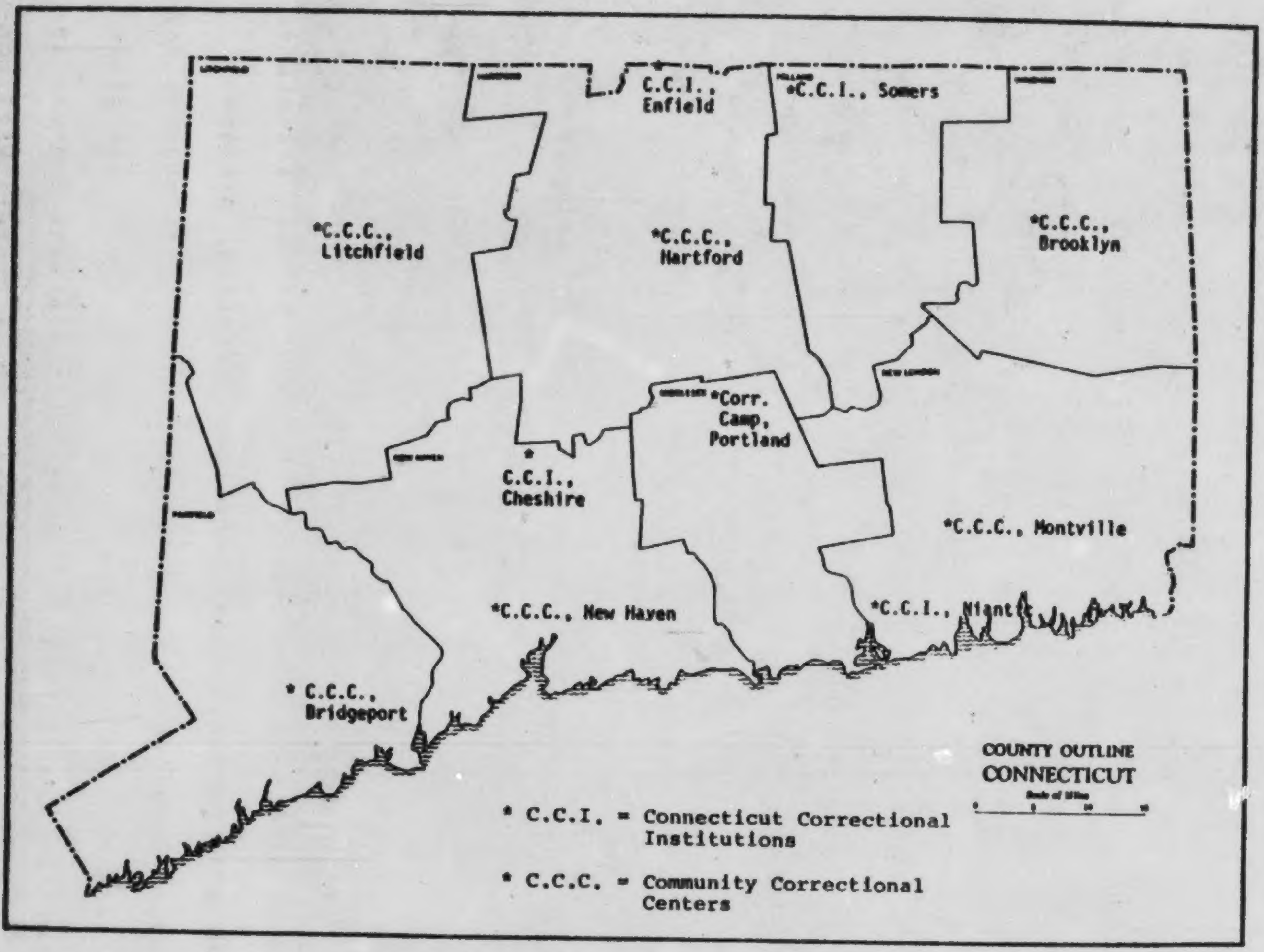


Figure II-3 Location of Institutions and Centers

in each geographical area where caseworkers can develop coordinated support programs for their clients.

2. Correctional Industries' Present Management Structure

As in several states, the Connecticut Department of Correction is an official school district; Connecticut is unique, however, in that Correctional Industries reports to the Director of Education. The resulting management structure of Correctional Industries is shown in Figure II-4.

ECON, Inc. has observed some important advantages and disadvantages that result from placing Correctional Industries under the responsibility of the Director of Education. On the positive side of this arrangement, one can point to the fact that a process has been initiated by which vocational education can be integrated with Correctional Industries. Indeed, most of the newer industries developed from vocational training programs; equipment initially purchased for training purposes later was applied to production shops, though training remains a component of the shops' operation. In addition, many of the industries' shops have been certified by the Department of Labor as apprenticeship training programs, and time spent by inmates working in those shops is credited toward union apprenticeship. Finally, there seems to be a cooperative working relationship between the state Departments of Labor and Education and Correctional Industries.

On the negative side, effective business management has unquestionably been relegated to a very low priority--not

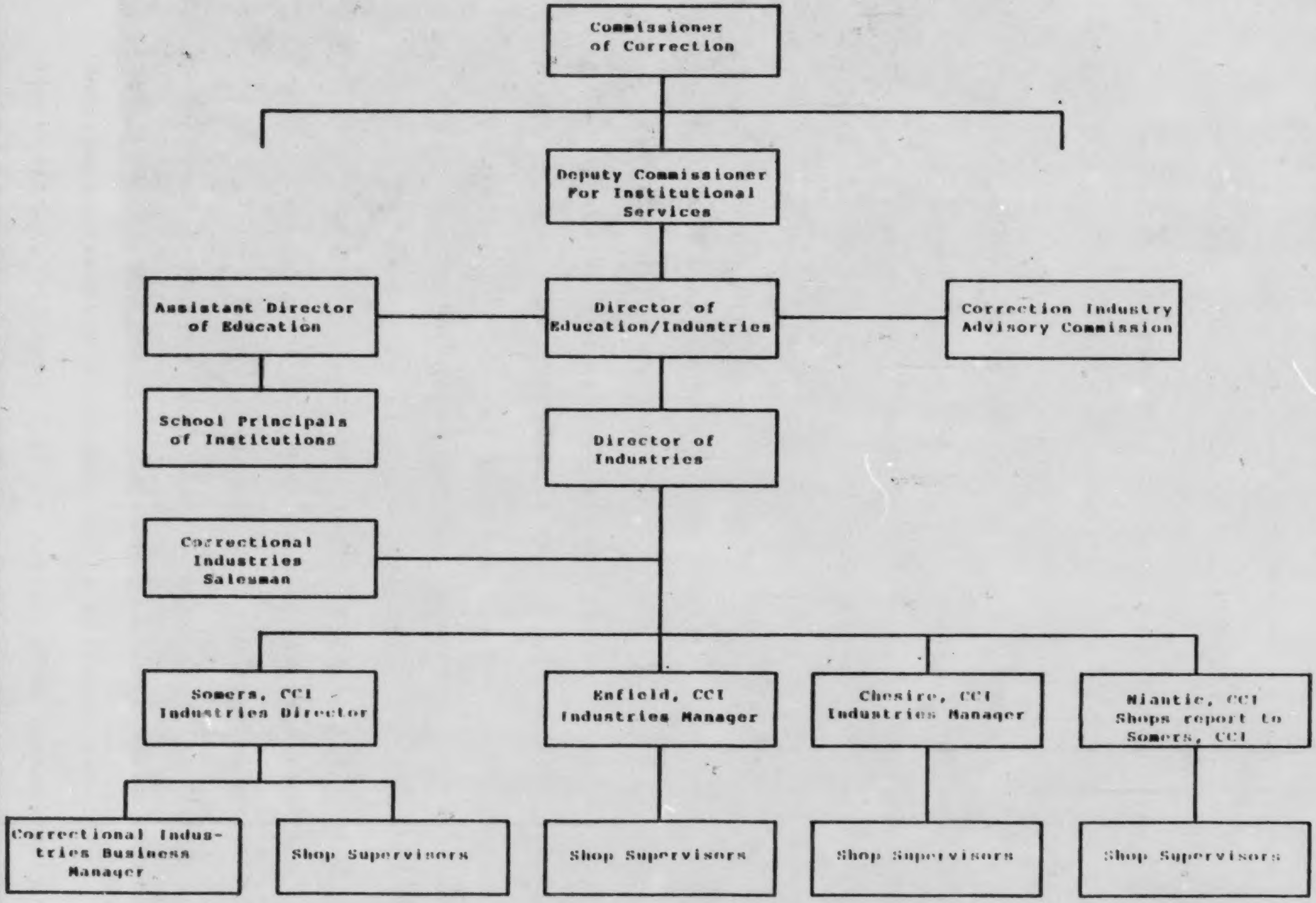

Commissioner of Correction
Deputy Commissioner For Institutional Services
Assistant Director of Education
Director of Education/Industries
Correction Industry Advisory Commission
School Principals of Institutions
Director of Industries
Correctional Industries Salesman
Somers, CCI Industries Director
Enfield, CCI Industries Manager
Chesire, CCI Industries Manager
Niantic, CCI Shops report to Somers, CCI
Correctional Industries Business Manager
Shop Supervisors
Shop Supervisors
Shop Supervisors
Shop Supervisors

Figure II-4 Existing Management Structure of Correctional Industries

only at the top leadership level but throughout the organization of Correctional Industries.

The lack of good business practices in industries' operations, most notable in the accounting and financial management reporting and control systems and in the short work day, are not uniform in all the prison shops. Indeed, individual supervisors vary widely in their willingness to resist neglect of the business aspects of Correctional Industries. Many industry staff (and central office staff) are anxious to create a real world work environment within the prison setting; many others are skeptical--not only of the prospects of achieving this goal--but also the utility of real world production experience compared to increased training programs. Thus, it appears that the assignment of Correctional Industries to the Director of Education has contributed to a disunity of purpose which permeates industry operations to the detriment of both the business and education/training functions encompassed therein.

B. Operational Mode of the Free Venture Model in Connecticut

For reference purposes, Table II-2 provides a description of the broad goals of the Free Venture model for Correctional Industries. The realization of these goals in Connecticut demands top level leadership and support for a commitment to massive change in the prison industrial system. To begin the process of innovation, trial, and modification of Correctional Industries' operations in Connecticut, ECON, Inc.

Table II-2 Goals of The Free Venture Model for Correctional Industries

1. a realistic work environment, including
   - a full work day,
   - inmate wages based upon work output,
   - productivity standards comparable to those of outside world business,
   - hire and fire procedures, within the limits of due process rights,
   - transferable training and job skills,
2. partial reimbursement of the state by inmates for custody and welfare costs, as well as restitution payments to victims,
3. graduated preparation of inmates for release into community,
4. fixing responsibility--with financial incentives and penalties--for job placement of inmates upon release into the community,
5. financial incentives to industry for successful reintegration of offenders into the community,
6. self-supporting or profit-making business operations.

has developed specific recommendations concerning the starting conditions and the development phase of the Free Venture Industries implementation program. During the first year of the implementation program, we recommend the establishment of a number of Free Venture shops at Somers, including the Print Shops, Optical Laboratory, Dental Laboratory, Typewriter Repair Shop, and possibly the Small Engine Repair Shop. The shops would be operated by the state, and the sale of their products or services would initially be limited to the state-use market. We recommend that the Small Engine Repair Shop become a service franchise of a major private firm engaged in the manufacture of small engines (e.g., Briggs & Stratton, Cummings, etc.) and/or retail sales of small engines (e.g., Sears & Roebuck Co., etc.). In addition, during the first year of implementation we suggest that a number of new Free Venture Industries be established, some of which would be located at Somers and others at Enfield. Also, during the first year of operations, detailed plans should be developed to expand the model industrial program to other prisons and jails in Connecticut, to encourage private industry participation in this expansion effort and to removing state legislative restrictions that seriously burden industrial expansion within the prisons (e.g., prohibition of the sale of inmate-made goods/services on the open market).

With regard to how the model prison industry shops

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would actually operate, the following paragraphs describe the recommendations of ECON, Inc. for achieving the goals of the Free Venture model for Correctional Industries in Connecticut.

1. A Realistic Work Environment

a. A Full Work Day

The daily work and institutional service schedule, shown in Table II-3 is recommended for inmate workers in Free Venture shops during the ordinary work week. It should be noted that all state workers in Connecticut (and, hence, shop supervisors) work a seven hour day. A staggered work schedule for shop supervisors will assure the realization of a full seven hour shop work day.

b. Inmate Wages Based Upon Work Output

The proposed wage plan for inmate workers has been tailored to the several specific shops we have identified above. We have obtained inputs from each of the supervisors of the candidate shops with respect to the skill level of each inmate worker in their respective shops and the range of hourly wage levels within each skill category that these inmate workers could reasonably expect to earn, given their potential production performance as compared to free-world labor in similar shops on the outside. As a result of these discussions, we have defined first year target average hourly wage levels corresponding to each of four different skill levels that are found in many of the shops.[1]

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[1] Presently, the highest wage paid to any inmate workers in Correctional Industries is $1.00 per day.

Table II-3 Free Venture Industry Work and Institution Service Schedule

6:00 a.m.	Wake up
6:30 a.m.	Breakfast and return to cell for clean-up
7:00 a.m.	Inmates "clock in," tasks assigned, work orders organized
7:10 a.m.	Shop fully operational
9:00-9:10 a.m.	Break
10:45-11:15 a.m.	Box lunch
1:00-1:10 p.m.	Break
2:50 p.m.	Clean-up
3:00 p.m.	Inmates clock out
4:00 p.m.	Inmates taken to evening meal
5:00 p.m.	Recreation
9:00 p.m.	All inmates return to cell
4:30 a.m.	Count

At the lowest skill level are the trainees; we recommend that they continue to be remunerated as per current practice, i.e., $1.00 a day. The other skill levels in increasing order of capability are: (1) the general or unskilled worker, (2) the semi-skilled worker, and (3) the skilled worker. For each of these skill levels, we recommend an hourly wage level of 96¢ an hour for the general, unskilled worker, $1.09 an hour for the average semi-skilled worker, $1.64 an hour for the average skilled worker, and $2.47 an hour for the top level of the skilled worker. These hourly wage rates should be viewed solely as target levels; the actual wage level paid to the inmate workers would depend on the profitability of the shop and on each worker's contribution to those profits relative to the average worker performance level within each skill capability group. The reader is referred to the shop profitability analysis in Volume VII, Chapter II-D, to understand how actual wage levels would depend upon the profits achieved by the shop. For at least the first year of operation of the model industries program, we recommend that each inmate laborer be paid weekly, and that (except for trainees) the weekly paycheck be 75 percent of the target wage levels. We further recommend that the shops' profits be computed on a quarterly basis, posted on the shop bulletin board, and retroactive wage adjustments made as required to each of the non-trainee workers. This procedure could result in actual hourly wage rates which are either less than or greater than the indicated target levels, depending upon the profitability actually achieved. We would expect an upward adjustment of the target wage rates at the end of one year of successful shop operations. Thereafter, target wage levels should continue upward movement toward prevailing wage rates as annual sales and profit margins increase.

It is recommended that all workers in the Free Venture shops, except trainees, should be given one week paid vacation[2] after the first year of employment and should be paid for those holidays that the shops close. If shops close due to supervisors' vacations during the year, this should be the period when the inmate workers also take their vacation. If the shop remains open year-round, except for holidays, then the inmates could be given the option to use their vacation days as hours of paid leave from the shop with the concurrence of the shop supervisors. This paid leave time could be used by the inmate worker during the ordinary work week to visit with his attorney, meet with the Parole and Pardon Board or Sentence Review Commission or, in the case of emergencies, with his counselor. Alternatively, the paid leave might be used in connection with a furlough. However, we recommend that the inmate be required to contribute a minimum of 30 hours work time in any one week (except for illness, which shall not be paid).

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[2] This is the most typical vacation schedule for the private sector in Connecticut.

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c. Productivity Standards Comparable to Outside World Business

Through interviews with the supervisors of Correctional Industries' shops at Somers, ECON, Inc. has developed for each shop a table of the typical inmate labor hours required by skill level (trainee, average worker, best worker) to manufacture or service each product which is a major sales item of the shop. In addition, we have conducted a production study in the several shops that were identified as candidates for the Free Venture industrial program; these studies documented our assessment of the equipment as well as labor and management practices which directly affect the quantity and quality of the shop's production efforts. The generally low productivity apparent in Correctional Industry shops prompts us to recommend that the Director of Industries establish an Industry Advisory Committee for each of the following shops at Somers: the Print Shop, the Furniture Shop, including the Upholstery Shop; the Woodworking Shop and the Furniture Refinishing Shop; Dental Laboratory; the Typewriter Repair Shop; the Optical Shop, and any new industries that are initiated. Further, we recommend that the membership of these Advisory

Committees be volunteers[3] and from private industry and that they include at least one representative of labor, one technical manager or overseer familiar with the operations of similar shops in the outside world and one financial manager familiar with the financial operations of similar outside shops. We also recommend that these Industry Advisory Committees meet regularly with the shop supervisors and Director of Industries to provide advice and assistance with respect to shop operations, productivity standar[illegible] and job skill training standards, financial management, shop management practices and job development/placement opportunities for inmate workers upon release.

During at least the first six months of implementation of each model industry at Somers, these advisory groups should review ECON, Inc.'s reports for the shops, and should meet on a monthly basis in order to tour the shops and provide continuing assistance and performance monitoring.

d. Hire and Fire Procedures (Who Is In Charge Here?)

In Connecticut, as in most state correctional systems, the Classification Committee is regarded as the

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[3] A potential source of volunteers might be young executives enrolled in private industry management development programs. The American Society of Training and Development (ASTD) in Madison, Wisc., publishes annually a list of training directors of private firms within each state. An alternative source of volunteers is the Service Corps of Retired Business Executives (SCORE) program which is funded by the Small Business Administration of the U.S. Department of Commerce.

"central authority" regarding work and other assignments within the prison setting. However, if this central authority is too broadly construed, Correctional Industries will be faced with an impossible task, viz., it will be charged with the responsibility of operating a self-sufficient conglomerate of industry shops without having the necessary authority to discharge that responsibility effectively. The situation in Connecticut presents us with a genuine dilemma. After extensive discussion with the prison staff and after observation of the Classification Committee at work, it was concluded that the Committee is unquestionably an effective vehicle for management of inmates. However, it is clearly the responsibility of Correctional Industries to manage its resources, both capital and labor, effectively. These considerations prompt us to propose a division of responsibilities which attempts to provide these two corrections elements with the authority necessary to perform their respective functions.

In general terms, the Classification Committee would define, using explicit, written criteria, the pool of inmates who are eligible to work for Free Venture Industries, while the industrial director would freely recruit and hire from the pool of eligibles in accordance with industry needs. Institutional transfer would always be a matter for the Classification Committee and the Warden. The industrial director would retain the exclusive right to staff the shops from the pool of eligibles in any given institution. The industrial director would exercise sole discretion in the promotion or dismissal of an inmate employee and in the imposition of lesser penalties, e.g., reduction in paygrade, or temporary layoff without pay, for shop-related infractions. In the hiring procedure, the industries director should adopt Equal Opportunity and Affirmative Action guidelines. In the case of dismissal and other shop disciplinary procedures, the industrial director should explicitly define in writing the criteria under which these penalties will be invoked. A due process appeals procedure should be developed jointly by the Commissioner's office, the Warden, and the Director of Industries.

The net effect of the division of responsibilities is to delegate exclusively to the industrial director the authority to decide, within prescribed limits, who is employed within industry shops and how the work force is most effectively managed to achieve the stated goals of industry. The Classification Committee, in turn, is delegated the authority to manage the institutional population except for job-related activities. This distinction can, in some situations, be difficult to define; in such instances the Commissioner's office should assist the parties. Obviously, if an inmate commits a major disciplinary infraction during his industrial work day, his action should be referred by industry staff to the custody staff. Likewise, if the inmate worker commits a serious infraction during his nonworking hours, the Classification Committee should have the right to revoke his eligibility for industrial work and remove him from the industries program. We recommend that the division of authority and responsibility between prison officials and work release employers be adopted as a standard to be pursued for industrial work programs within the prison walls.

Recommendations on the specific components of the hiring process and the role of the Classification Committee and the Director of Industries are presented in the subsequent paragraphs according to the functions of (a) determining inmate eligibility for the candidate labor pool for Free Venture Industries, and (b) hiring from the eligible labor pool.

Determination of Eligibility for Free Venture Industries

1. The classification "system", which includes the Committee, correctional counselors, and the Reception and Diagnostic Unit, will describe and provide written information about the Free Venture Industries to inmates. This information will consist of at least the following three items:

    a. A recruiting brochure approved by the Director of Industries for each shop which outlines the duties and rewards of participants in the Free Venture Industry program, the relevance of the jobs available in the shop to corresponding outside work, outside job opportunities and their geographical distribution for ex-inmate workers, and the outside wages and growth potential of shop occupations.

b. A Directory of Occupations, broken into duties, wage levels and job specifications for each Free Venture Industry. This list of all occupational titles would be broken into three broad categories: entry-level positions (trainees and unskilled workers), semi-skilled, and skilled positions. The Director of Industries would establish the specific work-related qualifications for every job. Generally, the entry-level category will have identical qualifications, e.g., time-to-serve, education level, medical qualification, and disciplinary history, for all industries' jobs. The second and third level positions should have similar general qualifications, but would have, in addition, special qualifications for the semi-skilled and skilled jobs within each industry.

c. A description of the procedure by which an inmate applies for an industry position.

2. At the second stage in the Classification process, the counselor receives, or helps to complete, the inmate's application, and screens it to determine whether the applicant meets the specifications listed in the Directory of Occupations.

3. If the inmate does not possess the qualifications, the correctional counselor will meet with the inmate, explain what he is lacking, and devise along with the inmate a plan by which he can meet the qualifications, if feasible. If the plan requires program participation, the counselor schedules the inmate into the appropriate programs. This "roadmap" will show the programs and the dates by which the plan should be completed. When the inmate completes the plan, it will be his responsibility to return to the counselor for confirmation that he does indeed meet the industry eligibility criteria.

4. If the applicant does satisfy the established written qualifications, the counselor recommends to the Classification Committee that the inmate be certified to work in Correctional Industries at the level for which he is applying.

5. The Classification Committee will meet with the applicant, review his application, and approve or reject the request using current criteria. The inmate may voluntarily waive personal appearance.

6. If the Committee rejects the application, they will verbally explain their reasons, which shall be in accordance with predefined criteria (recording same in the Minutes of the Meeting), and recommend a course of action for the inmate which would rectify the reasons for denial. The Committee will refer the application to the correctional counselor for action, and either assign or continue the inmate on an insitutional job.

7. If the application is approved, the Classification Committee will send the inmate's name to the Industries' director, indicating that the person is certified to work at a specific level in one or more industries. At the time of the inmate's hearing, the Committee will reinforce the statement given in brochures and by the counselor, that certification in itself neither guarantees a job nor sets a time within which a job interview will occur. The Committee will either assign or continue an inmate on an institutional job, using current procedures.

8. This Classification procedure will prevail for inmate certification at all levels.

Hiring From the Pool of Certified Eligibles

1. The Industries' manager at a given institution will receive a list, by level, from the Classification Committee of certified candidates for Correctional Industries.

2. The Industries' manager will also receive, from manpower scheduling projections, a list of future job openings by industry, job level, and specific occupation.

3. The Industries' manager will post each month in the inmate newspaper future openings, by job title, job level, wage, and special qualifications.

4. All qualified and interested inmates will submit written applications, available from the Industries Office and correctional counselors. Industry supervisory and management staff may encourage inmates that they know are qualified to apply for future jobs.

5. Mindful of Equal Opportunity and Affirmative Action guidelines, the Industries' manager will, upon receiving completed applications, screen out non-qualifiers, and select the best "paper candidates".

6. The Industries' manager or his designated representative will interview those candidates he selected, and choose from that group the number required to fill his openings.

7. The Industries' manager then sends notification of his choices to the Classification Committee and to the inmate's correctional counselor.

8. At the next regularly scheduled Classification session, the inmate appears before the Committee (unless he voluntarily waives personal appearance), formally accepts the job offer, and is given a date (not to exceed two weeks) when he will report to his new assignment.

9. The Classification Committee will give notice to the chosen inmate's current (soon-to-be-former) employer, and begin the search for a replacement for that inmate. The man who has been selected for participation in Free Venture industries will not be held in his current/former position if the Committee is unable to find a replacement for him within two weeks.

e. Transferable Training and Job Skills

Corresponding to each job slot in the Free Venture Industries program, there is a set of skills required to properly perform that function, and there is a set of occupations in the outside world for which an inmate who is adequately performing his job in prison industry would be qualified by virtue of his prison work experience. A mapping of requisite skills for each Free Venture Industry job slot and the outside world occupations for which that job slot qualifies an inmate worker should be developed by each shop supervisor with assistance from the shop Industry Advisory Committee. It should then be submitted to the Director of Industries for review and approval. In addition, prior to beginning his industrial work assignment, the successful candidate for Free Venture Industries should be given a written test designed to establish baseline information on the extent of his general and special skill knowledge relevant to the shop which he seeks to enter. At the conclusion of each 2,000 hour on-the-job period (or at an earlier successful termination point), the inmate worker would be re-tested as to his general and special skills knowledge in the shop in question. In addition to the written examination, it is recommended that an independent consultant with vocational education expertise should be brought in to assess the demonstrated skills and proficiency levels achieved by the worker in his present job assignment. In addition, it is recommended that on a semi-annual basis the shop supervisor provide a written assessment of the on-the-job performance of each inmate worker on the occasion of each six month anniversary which the worker accumulates while in that shop. We recommend that the shop foreman discuss the performance evaluation with the inmate employee pointing out the strengths and weaknesses of the employee that are apparent to his supervisor. The performance evaluation should not be limited to general knowledge and specific job skills acquired by the inmate but should include an appraisal of his work attitudes as well as his ability to contribute a positive work environment in that shop (e.g., his attitude towards fellow workers and the shop supervisor). Finally, upon termination of the inmate from the shop, the progress by each inmate worker should be reviewed with him by the shop supervisor.

2. Partial Reimbursement of the State by Inmates

From all non-trainee workers in the Free Venture shops, we recommend that the following deductions be taken from their gross pay:

a. Twenty-five percent of their gross pay as a chargeback by the institution.

b. Where gross wage levels dictate, deductions would be made for Federal income tax.

c. Subject to an overall upper bound on deductions of 50 percent of gross salary, family support payments would be deducted for any inmate worker whose family is receiving welfare assistance. Additional deductions, within the 50 percent constraint, for restitution payments to victims of crimes are recommended, if some of the problems that have been encountered recently with the State Legislature in this area can be resolved. Table II-4 illustrates the schedule of wage payments and deductions that we recommend.

We regard the amount of spending money permitted an inmate within the institution to be an institutional security/discipline matter and suggest that its resolution be left to the warden of the institution.[4] We urge, that any forced savings plan which might be instituted offer the inmate

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[4] We note that some states have explicit administrative regulations with regard to limits on inmate spending money while others (i.e., Minnesota) have no limitations in this regard.

Table II-4 Wage Schedule and Deductions for Free Venture Industry Workers[5]

Gross Hourly Wage	Gross Weekly Wage	Revolving Fund Charge Back	Federal Income Tax	Welfare Costs &/or Restitution	Net Weekly Wages	Net Hourly Wage
≤$0.14	≤$ 5	$ 0.00	$ 0	$ 0	≤$ 5	≤$0.14
0.57	20	5.00	0	5.00	10	0.29
1.14	40	10.00	.10	9.90	20	0.57
1.71	60	15.00	3.50	11.50	30	0.86
2.29	80	20.00	6.70	13.30	40	1.15
2.86	100	25.00	10.90	14.10	50	1.43
3.43	120	30.00	14.90	15.10	60	1.72
4.00	140	35.00	19.30	15.70	70	2.00

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[5] A seven hour work day and five day work week is assumed.

some degree of freedom in investment opportunity and permit the accrual of interest or dividend payments to his account. We do not, however, recommend that the purpose of any such forced savings plan be other than for accumulation of capital for the inmate worker who has earned these monies through his labor. Moreover, whatever legal actions may be required to safeguard these savings from civil suits, attachments, etc. should be explored and initiated by the Department of Correction.

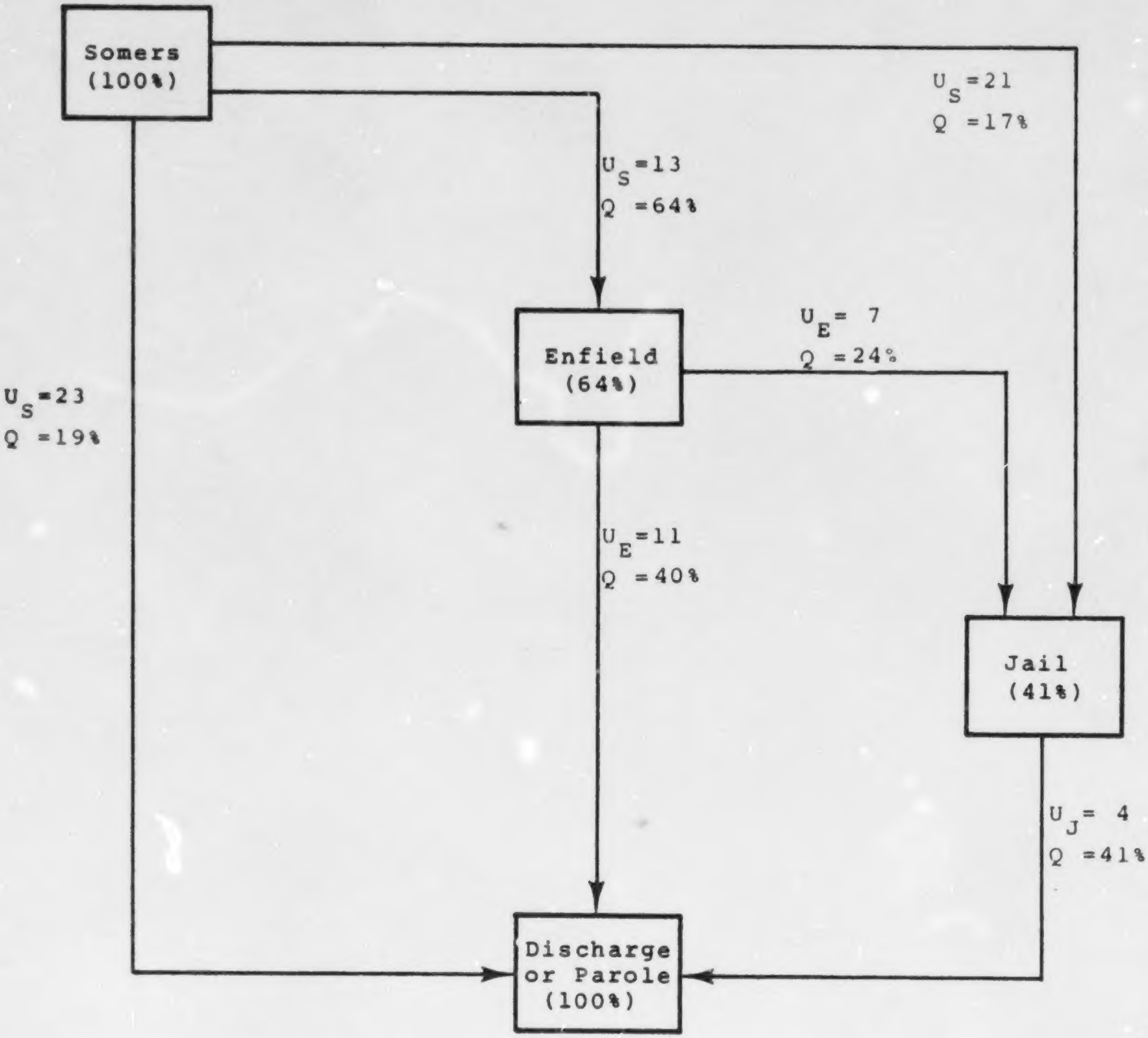
With respect to the use of the accumulated institutional chargeback funds, we recommend that these funds not be used to alleviate the wage differential between industry and non-industry workers across the board. Instead, we propose that these funds be transferred to a sub-account of the industries revolving fund used to finance the following activities:

- job placement and post-release support activities provided by industries to ex-inmate workers;
- gate money payments (except for shop trainees) in the event the ex-inmate is not placed in a job;
- as "plow-back" to industries for the purpose of expanding the size and/or scope of Free Venture Industries in the several prisons and jails, thereby creating additional jobs and increasing the opportunities for inmates to participate in these jobs; and
- wage bonus to selected non-industry inmate workers whose services are highly valued by all inmates and whose loss to higher paying industry jobs would be detrimental to the institution. These payments are not to exceed 10 percent of the accumulated chargeback each quarter.

3. Graduated Preparation of Inmates for Release into the Community

The Connecticut Department of Correction has for some time utilized a system of phased-release in order to gradually prepare inmates for release into the community. ECON, Inc. studied the operational aspects of this system by "tracing back" the institutional transfer process applied to a sample of 222 ex-inmates who had been paroled or discharged during the periods from November 1974 to March 1975 and January 1976 to March 1976. No significant difference in the pattern of phased-release of inmates during the two time periods was observed. An analysis of the "pooled data" from the two time periods provides useful insights concerning the impact of the phased-release policy on prison industry in Connecticut.

Figure II-5 displays the major institutional flows that result from the graduated release of adult male felons from the maximum security prison at Somers to community release. Note that over 80 percent of the Somers population is routed through a minimum security facility and/or jail prior to community release. Moreover, a high percentage of the population flows through Enfield which has the effect of reducing the average time spent at Somers by one-half. As is evident from Table II-5, the average total duration of the incarceration period is essentially unaffected by the graduated release policy; by design, the major impact on the policy is on the duration of stay in any one facility.



Legend:

(%) - Percentage of Ex-inmate Sample Who Entered the Indicated State

U_i - Average Time in Months at the Indicated State (i)

Q - Percentage of Ex-inmates Who Followed This Path

Figure II-5 Graduated Release from Somers - Characteristics of Institutional Population Flow

Table II-5 Paths and Time Until Release For All Somers' Releasees Over Survey Period

Paths to Release	Percentage of Inmates Routed Via Indicated Path	Average Time Spent on Indicated Path (months)
S - D/P	19%	23
S - E - D/P	40%	(13+11) = 24
S - J - D/P	17%	(21+4) = 25
S - E - J - D/P	24%	(13+7+4) = 24
	100%	

Average Time To Release Equals 24.0 Months.

Legend: S = Somers
E = Enfield
J = Jail or Community Correctional Center
D/P = Discharge or Parole

This mobility poses a challenge to industry to select its labor pool and to properly schedule inmate laborers into various shops depending upon the expected length of stay in a given facility. As the Department of Correction intends to expand its phased release capability, it is most important that Correctional Industries develop a responsive hiring policy and work scheduling plan.

The desire of the Connecticut Department of Correction to expand the phased re-entry program and maintain a steady flow of inmates from a maximum security environment to a less secure environment prior to release dictates the need for Free Venture shops at other institutions to which an inmate may be routed as he approaches release, as well as the need for realistic work environments in the community such as may be offered through work release programs. We do not recommend that Free Venture shops in one institution be duplicated in other prisons to achieve this purpose;[6] this would be uneconomic and, in the case of several shops, a burden on the ability of Correctional Industries to capture increasing portions of the state-use market. On the other hand, replication of Free Venture shops within community-based work programs involving the private sector would be highly desirable, since (a) the same business entity is not burdened with duplicated machinery, and (b) it is presumed that private industry work programs for the jail population would have access to the open market and thereby concerns of market saturation are eliminated.

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[6] One exception that could be made to the "no-shop duplication rule" involves the Typewriter Repair Shop since this shop requires a small capital investment and has a potential sales market large enough to support two shops--one at Somers and one at Enfield.

It is recognized that lack of duplication of Free Venture shops in several institutions poses some problems. Lack of shop duplication necessarily implies that an inmate who has been trained in one area of work and who may have achieved a high level of proficiency will, if required to move to a less secure institution, have to learn a new trade. Of course, the exposure of an inmate worker to more than one Free Venture shop could broaden his employment prospects as well as his work experience. However, the inmate would have to forego the higher wages of his old occupation while he works up the ladder in his new occupation.

For those inmates who would not choose this course either for financial reasons or because they are highly desirous of seeking employment after release in the industry where first employed within prison, it is recommended that, subject to the decision of the industry manager regarding the potential impact of bottlenecks in one or more industry shops, the inmates be given the option[7] to remain at the more secure institution or be transported daily to and from their shop and the new custody location until such time as work release and/or transfer to a community-based work program of their interest can be arranged. A work transfer program for Enfield inmates (minimum security) to Somers (maximum security) presents no extraordinary transportation problems, as the prisons are within a five minute drive of each other. Obviously, such a program does introduce additional security problems, but these need not be regarded as insurmountable.

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[7] Constraints on this option are implied by a work programming plan discussed in Section C.

Alternatively, it may be possible to design some degree of redundancy within the Correctional Industry shops of various prisons and jails by developing extensions of existing shops at other locations. The Connecticut Department of Correction prefers this approach and suggests, for example, that bookbinding and collating operations could be located at Enfield as a complement to the Print Shop at Somers in servicing the state-use printing market. Many ideas for achieving business redundancy by creating new shops that are extensions of others have been discussed within ECON, Inc., but due to time pressures, few have been adequately explored. While we support this concept, it is recommended that firm decisions be postponed until the economic viability of this approach can be established, through a careful analysis of the potential sales market and profitability of any "extension" shops under consideration.

4. Fixing Responsibility for Job Placement - With Financial Incentives and Penalties

ECON, Inc. recommends that the Director of Industries assume the responsibility of assuring job placement for each Free Venture industry worker in an occupation related to that for which he was trained and at a wage at least as high as the peak wage he earned during his prison employment. The Director of Industries should exercise sole discretion over the coordination of job development and job placement activities for any particular inmate, whether this coordination be through the Employment Service, public or private sector contacts known to Free Venture Industry shop supervisors, or Advisory Committees. Otherwise, the Director of Industries should be allowed to contract for the services of job placement agencies.

In the event of failure to place the worker[8], industries would compensate the inmate for non-performance through the mechanism of gate money upon release. The magnitude of the gate money compensation would depend upon the highest skill level achieved by the inmate worker in any Free Venture Industry shop. Specifically, the gate money payment would equal $1,500 if the worker had achieved the level of a skilled workman, $1,200 if the worker had achieved a semi-skilled level and $900 if the worker were unskilled. We anticipate that the average cost to provide job placement services to ex-offenders would run about $300 per client. To minimize the opportunity for abuse of the gate money program, we recommend that the worker be accompanied to the interview or that the prospective employer be contacted after an unsuccessful job interview to determine the reason for rejection of the job candidate; specifically, whether the candidate was judged not qualified for the position or salary or whether some personal characteristic (not historical-but operative during the interview) of the candidate was the deciding factor. If the latter reason is consistently cited for the no-job-offer decision, then the ex-inmate would not be eligible for gate money. The gate money payment would be made at the rate of $100 a week and would, given a re-arrest of the ex-inmate, be suspended pending disposition of the case. In the event of conviction or reincarceration for parole violation, gate money payments would be terminated; moreover, the recidivist would not be eligible to participate in the Free Venture Industries again.

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[8] Placement success is defined to mean placement in a job related to the work performed by the inmate in the prison shop and at a starting wage which is no less than the highest gross wage earned by that worker in any Free Venture shop.

We recognize that the job placement responsibility that would be imposed upon the Director of Industries is a heavy burden; but we also see it as a unique opportunity to realize the full benefits of the work skills and habits that are developed within the Free Venture shops. Because of the substantial impact of the state economy on the success of job placement efforts and because gate money compensation will impose a substantial drain on the financial resources of Free Venture Industries, we would urge that the Director of Industries carefully define the entry requirements for each shop and, in addition, that he require a minimum 12 month work commitment from every candidate prior to acceptance into the Free Venture Industries program. The impact of the latter recommendation is discussed later in Section II-C.

During the course of this study, we have seen compelling evidence of the high correlation between the unemployment rate and the rate of incarceration. In Connecticut, our survey of parolees from state prisons shows that 75 percent of those parolees re-arrested were unemployed at the time of re-arrest; surveys of the inmate population at Somers also confirm this relationship and indicate further than 40 percent of those incarcerated have never had a full time job. In addition, our field visits to prison industries in seven states have shown that the job placement linkage between the prison and the outside society functions very ineffectively.[9] In this regard, our survey of parolees in Connecticut indicates that within the first two months of release, approximately 50 percent of parolees are placed in a job which they hold continuously for a period of three months or more. We are convinced that this is an area which needs to be improved dramatically. Thus, in the case of industries, we would place the responsibility for assuring an effective job placement linkage of ex-inmate industrial workers on the shoulders of the Director of Industries. The job placement efforts would be financed by the institutional chargeback from industry workers; if a job cannot be found, gate money may aid[10] the transition process from the prison to community reintegration.

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[9] An outstanding exception we encountered is the vocational training program at the Sandstone, Willow River Camp in Minnesota. Over a four year period this program has "graduated" 177 ex-inmates from state prisons and placed over 90 percent of them in jobs related to their training. Parenthetically, 82 percent of the program participants are still in their communities without parole violations or new offense arrest.

With regard to the mechanics of the financial incentives and penalties, we note that if the potential profitability of the Free Venture Industry shops is realized (see Volume VII, Chapter II-D-5), the first full year of operations of the Free Venture shops should yield about $5,800 each month in chargeback deductions from the Free Venture labor work force. This amount is more than sufficient to cover the cost of providing job placement and post-release support services as well as gate money payments, even assuming that prison industries did not improve upon the conventional job placement efforts. For example, suppose we assume that each year 40 of the Free Venture Industry workers are released from prison. This would result in a $12,000 cost of providing job placement services; if 20 of these inmates were not placed in jobs, the financial penalties suffered by industry would be, at most, 20 x $1500 or $30,000.

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[10] Lenihan, Kenneth, "The LIFE Project, Some Preliminary Results, Design Questions and Policy Issues," Bureau of Social Science Research, Inc., Washington, D.C., February 1975.

These two costs sum to $42,000 which, when compared to the annual contribution from inmate wages to the chargeback fund ($5,800 X 12 = approx. $70,000) does not represent a financial threat to industries. Indeed, even if all 40 ex-inmate workers received gate money payments, industries' traditional financial base would be unaffected. However, these payments do represent the loss of a substantial opportunity for continued expansion of industry shops which could otherwise have been realized. Therein lies the source of incentives and penalties for the job placement and post-release support efforts of the Director of Industries.

Since the gate money plan is self-financing, its major drawback is its potential for abuse. If, despite controls to safeguard against abuse, it nevertheless occurs regularly, we see no reason why this component of the program could not be shut down once the empirical evidence has been presented. Should this occur, an alternative financial incentive/penalty plan should be instituted to provide strong motivation to Industries to aggressively pursue their job placement responsibilities.

5. Financial Incentives to Prison Industry for Successful Reintegration of Offenders Into the Community

During recent years government agencies at all levels have been faced with escalating costs combined with increased demand for services. Such problems are now being experienced by criminal justice agencies throughout the country. Government agencies in several public service areas have responded by adopting various types of cost saving mechanisms. One approach to cost containment that is gaining increased acceptance is the concept of providing financial incentives to those who are successful in reducing costs or effecting savings. Two examples of this can be found in the health care sector--a public service which recently has been plagued by escalating costs coupled with increased demand for services. At present, many states have adopted what is termed a prospective rate review system for determining the rate that hospitals receive from Blue Cross and/or Medicaid per patient day. This system has a risk/incentive feature in that the hospital negotiates in advance the rate they are to receive per patient day for the year. The hospital then is expected both to bear a portion of costs which exceed the estimated level of expenses and to benefit from costs which are held below the estimate.

A similar concept is employed in Health Maintenance Organizations. In this type of medical care delivery system, patients pay a flat monthly rate to the group of physicians. For this rate, the doctors agree to provide all medical care including hospitalization for no additional cost. By eliminating unnecessary hospitalizations and improving efficiencies, the physicians can benefit financially from cost reductions.

ECON, Inc. recommends that the State of Connecticut adopt a variation of this concept for corrections.

Volume VII describes in detail a post-release performance evaluation system which is capable of documenting cost savings to the public resulting from improved post-release performance (if any) of the ex-inmate workers from prison industries. We propose that after three years of operations of the Free Venture model, that the state transfer to the industry revolving fund one-fifth of the accumulated documented cost savings that accrue from the Free Venture Industry program.

The one-fifth share of savings is not intended to be a fixed value to be applied annually, but rather an initial condition. The ideal approach is to subject the amount of incentive payments to economic analysis; that is, the incentives should be reinvested in prison industries to the extent that the marginal benefits are greater than or just equal to the marginal value of the incentive payment. The value of the economically justifiable incentives could, therefore, fall anywhere in the range of zero up to the full amount of the savings.

6. Self-Supporting or Profit-Making Business Operations

There is no justifiable reason that prison industry should not be judged by its ability to operate as a self-supporting, if not profit-making, enterprise. While it is unquestionably true that institutional tranquility requires that inmates be kept busy; prison industry can and should aim well beyond this goal. Indeed, operating a profitable business enterprise in the prison setting demands that the inmates' time be productively occupied. Moreover, a profitable enterprise affords the additional advantages of (1) preparing the inmate for participation in the outside world of work upon release, (2) providing fair wages to inmate workers and thereby developing their self-esteem and enhancing their sense of responsibility, and (3) providing for the continued growth of the business enterprise.

Profits (retained earnings) are the life blood of prison industry and should be so regarded by correctional administrators, prison industry managers and staff, and inmate workers. Without profits there can be no realistic prospect for growth. Without industry growth, idleness and/or "make-work" will very likely continue to be the dominant operating characteristic of the prison.

While championing the profit-making goal for prison industries, the Free Venture model simultaneously pursues the goal of successful reintegration of ex-offenders into society. By adopting an expanded view of the nature of the business operations of prison industry, these two objectives need not conflict. Given adequate resources they can be mutually reinforcing goals. This is the underlying premise of the Free Venture Industries model. The degree of success achieved by Free Venture Industries in the pursuit of this dual objective will be reflected in an expanded concept of the industries profit and loss statement. Revenues from the sale of prison industry goods or services minus the cost of production and sales will yield one component of retained earnings. We recommend that the standards of accountability for these profits be twofold: at least five percent profit on the annual sales of each Free Venture shop and ten percent profit on the total sales of the entire group of Free Venture shops. Revenues from the institutional chargeback on inmate worker earnings plus incentive payments, if any, from the state, as a result of documented cost savings due to successful reintegration of ex-offender industries workers into the community will provide another component of "retained earnings", after wage bonus payments to selected non-industry workers, and the cost of job placement and support services and gate money are subtracted.

C. Relationship of Free Venture Industries to Other Components of the Institution

One major concern throughout the project planning phase has been the effect the Free Venture Industries, with increased wages, special housing, job placement, and other special aspects, will have on the balance of the institution. As a result, the Connecticut Department of Correction proposed a variety of institutional changes intended to reduce any adverse effects of the differential treatment of inmates.

First, portions of the funds deducted from each Free Venture inmate's paycheck will augment the inmate salaries of certain selected institutional maintenance and service positions. This will have the dual effect of persuading inmates who have skills in institutional maintenance areas to stay on their jobs rather than applying for work in the Free Venture Industries, and will also demonstrate that the inmates who are benefiting from the Free Venture opportunity are also augmenting some of their institutional peers' salaries. Both of these objectives were endorsed by a majority of the inmate industry workers who participated with ECON, Inc. in program planning meetings at Somers.

Second, one function of the industries worker certification program is to show inmates the paths by which persons are selected to become Free Venture workers. Through these procedures, inmates will hopefully understand the reasons why workers are chosen, and the staff decisions will not be seen as either capricious or arbitrary.

Third, the Connecticut Department of Correction is committed to the growth of the model prison industries project. While growth can be beneficial in many ways, a major utility in the institutional context is that it provides more attractive job slots for workers. As more job slots become available, fewer inmates are affected by differential treatment.

Fourth, spending limits for inmate workers will not be increased above those for non-workers, despite the large increase in spendable income. Somers currently limits each inmate's monthly spending to $80.00. It is felt that if this limit is increased for industries workers, feelings of hostility within the general inmate population would be created that are greater than the institution is willing and able to bear. On the other hand, it is postulated that the ability to spend would increase drastically for participating inmates, since few inmates are now able to generate $80.00 a month for institution purchases. Televisions, radios, and other large items are exempt from the $80.00 limit, and industry employees would certainly be able to purchase these items with their earnings. In summary, participating inmates' "standard of living" would increase without differentially increasing the monthly limit on institutional purchases.

Fifth, the industries positions will be declared "5-day jobs" (five days of Meritorious Good Time would be awarded for each month of satisfactory performance). Other institutional jobs, such as the kitchen and certain maintenance assignments, will remain "7-day jobs". Thus, some non-participating inmates will be earning a higher "time wage" than the Free Venture Industry inmates, and non-participants will note that the industrial workers will not receive all the system rewards.

Lastly, the Connecticut Department of Correction will endeavor not to make special recommendations before the Parole Board for participating inmates. It is, to some extent, inevitable that at least the initial group of participating

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inmates will receive more staff attention than non-participants. The Department will not, however, provide the Board with more information for program participants than it does for non-participants, will make no exceptional determinations of readiness for release, and will endeavor in every way to keep the probability of parole release entirely separate from participation in this program.

In addition to the above, ECON, Inc. has developed an institutional work programming plan designed to accommodate the manpower needs of both the industrial program and the institution. Earlier we recommended that only those inmates who can commit themselves to a minimum employment period of one year be considered as potential candidates for certification for the Free Venture Industry program. On the other hand, it is important to insure that long term inmates do not monopolize the job slots offered by Free Venture Industries. This would have the effect of (a) aggravating an already difficult problem with respect to differential treatment of various workers in the prison, (b) creating a bottleneck in the flow of inmates through the Free Venture shops, and (c) might result in denying a stable work force to other work areas of the prison. With these considerations in mind, as well as the considerations of providing for treatment needs and educational and vocational training needs of the inmates, we have proposed a plan, shown in Table II-6, for allocating the institutional work, treatment and educational

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Table II-6 Required Work Commitments From Inmate Volunteers for Free Venture Industry Shops

Minimum Time To Served After Good Time Allowance (Months)	Treatment and/or Maintenance or Operations (Months)	Free Venture Industries (Months)	Education and/or Voc. Education and/or Work Release Case-by-Case-Basis (Months)
6	-	Not Eligible	-
12	-	Not Eligible	-
15	-	12	≤ 3
18	-	12	≤ 6
24	4	12	≤ 8
30	6	15	≤ 9
36	8	18	≤10
42	10	21	≤11
.	.	.	.
.	.	.	.
.	.	.	.
60	16	30	≤14
.	.	.	.
.	.	.	.
.	.	.	.

time of those inmates who voluntarily seek to enter the Free Venture Industries.

The work programming plan requires that all inmates who have a minimum of 24 months of time to serve commit four months to institutional maintenance or operations work, to commence immediately upon signing of an industrial work agreement,[11] and commit an additional month for each three months of minimum time to be served above 24 months. Table II-6 reveals that not every inmate who is accepted by the Free Venture shops would be required to participate in institutional maintenance or operations work as a prerequisite. Inmates with fewer than 24-month minimums would benefit little from such an assignment, given their 12 months commitment to industrial work. In addition, many inmates may need time to satisfy educational, vocational, and treatment requirements in order to qualify for Free Venture entry. For those inmates with longer minimums, e.g., in the range of three to five years, about 25 percent of their prison stay would be devoted to a combination of treatment programs and institutional maintenance or operations work, and 50 percent could be devoted to Free Venture Industries. The remaining 25 percent would be used for vocational, educational, and treatment objectives designed to meet Free Venture entry requirements, and for work release, after completion of the Free Venture work programs. In addition, the unprogrammed time period could be used for non-Free Venture Industry work experience for "marginal" workers whom the Director of Industries wants to test prior to acceptance into Free Venture shops.

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[11] ECON, Inc. has also proposed that a Mutual Agreement Program Plan (detailed in the Appendix, pgs. 99-115) be employed as a management tool. This would be to assure timely delivery of program participation opportunities to the inmate after he successfully completes the various requirements he freely accepted as prerequisites to participation in the Free Venture Industries program. The Connecticut Department of Correction wishes to avoid the use of any formal agreements that could be construed as a legal contract.

It should be kept in mind that, except for the requirement of a minimum 12-month industrial commitment, the work programming rules implied by Table II-6 are not intended as absolutes to be applied in every case; rather, they are intended as a guide to assure (a) an adequate work force, both for the institutional and industrial shops, and (2) that both work environments will have as a component of their work force a number of long term, stabilizing workers adequate to their needs. Thus, the maintenance/operations and Free Venture minimum work periods should be sufficiently elastic to fit individual situations.

The preceding work programming rules for workers in the Free Venture shops were tested for feasibility by using the statistics obtained from a sample of 160 inmates who arrived at Somers during the months of February, March and April of 1976. Figure II-6 shows a histogram of the minimum sentence length (after good time allowance) for the new arrivals at Somers. This distribution of prison service

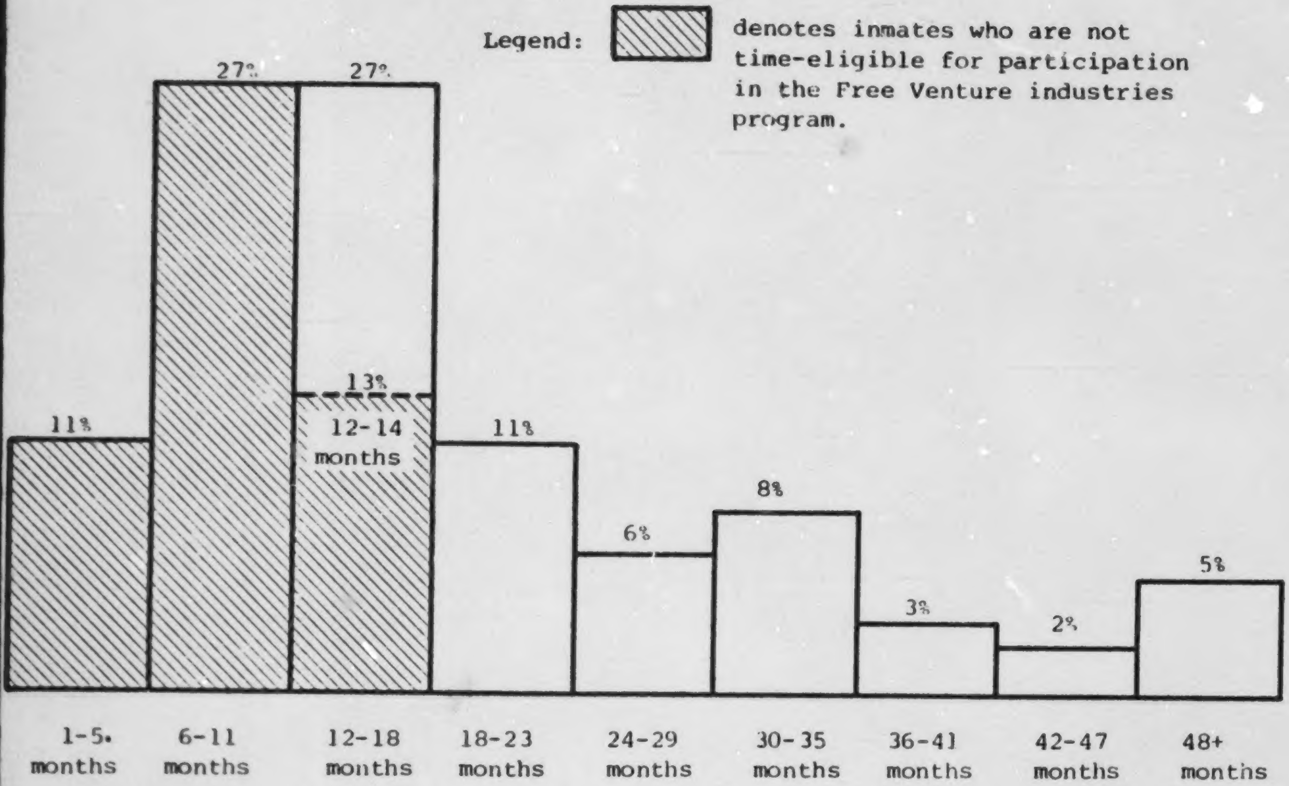

Figure II-6 Histogram of Minimum Time To Serve (after Good Time Allowance)

Source: New Inmates at Somers (2/76 to 4/76) times, together with the work programming rules, was used as input to a computer program designed to simulate the work load that would result for the workers in the Free Venture shops, both in terms of their institutional maintenance or operations work and in terms of their industries work. Under the added assumption of a constant inmate arrival rate at Somers of 80 per month (This corresponds with intake levels at Somers over recent months.), the following results were obtained.

First, we consider only those inmates whose prison service time would render them ineligible for the program because of the 12-month minimum work requirement of Free Venture shops. From Figure II-6 it can be seen that roughly 50 percent of the monthly intake would be ineligible for time reasons alone. For the remaining time-eligible work force, we found that the contribution to the institutional maintenance or operations work force made by the potential workers of the Free Venture shops would build up as follows: after 11 months, 136 workers; after 17 months, 162 workers; after 23 months, 168 workers. A steady-state level of 174 workers is ultimately reached.

The Free Venture industrial labor force build-up rate is maximal under the assumption that the operations or maintenance assignment is followed immediately by a prison industry assignment. Given this condition, the labor force available to Free Venture shops from these same inmates would reach a level of 324 workers after 11 months, 421 workers at 17 months, and 504 workers at 23 months, eventually reaching a steady-state level of 620 workers. The industrial labor force build-up rate is minimal under the assumption that the industry assignment occurs at the latter part of the inmate sentence, i.e., after the maintenance or operations assignment and after the educational and/or vocational education assignment. Under this condition, the build-up rate for the industries labor force is 126 after 11 months; 256 after 17 months; 357 after 23 months; 439 after 29 months; 487 after 35 months; 518 after 41 months; and eventually reaches a steady-state level of 620 workers. These calculations have not taken into account those inmates who, though time-eligible for the Free Venture Industries, nevertheless do not participate in the program. This latter group includes inmates who may not participate for reasons of security, those inmates who would voluntarily decline and those who are not hired by the industrial director. Should these inmates constitute a substantial number of inmates who are time-eligible for the program, the effect on the resulting labor force for industries and institutional maintenance or operations work would also be substantial. Roughly speaking, the effect would be one to one; that is, if the actual number of participants in the Free Venture Industries were 20 percent less than the number of inmates who are time-eligible for the program, then the worker force build-up rates cited above would also be reduced by 20 percent. If only 50 percent of the eligible inmates for the Free Venture program actually were accepted into the program, then the labor force build-up rates would be reduced by 50 percent. Similarly, if one suspects that the recent inmate arrival rate at Somers of 80 per month is unusually high and wants to postulate instead a constant monthly arrival of 60 inmates, the inmate worker build-up rates cited above would be adjusted proportionately.

Our conclusion is that the proposed work programming rules for Free Venture Industry workers do provide assurance that the Free Venture Industries will have an ample labor pool available to them, and will contribute substantially to the necessary institutional labor force. The later contribution, together with non-participating workers, provides more than a sufficient labor force for institutional work.

Regarding the impact of these work scheduling rules on the distribution of "long-term" and "short-term" inmates in the Free Venture Industries work force, Table II-7 shows the results of a comparison of the current industrial labor force mix with that which would result from the use of the suggested work scheduling rules. As might be suspected, this analysis shows that the net effect of the work programming system is to shift the distribution of the industry labor force mix in the direction of fewer very long term inmates

Table II-7 Sentence Distribution of Prison Industry Work Force

Industrial Work Force	Sentence Length (months)						
	15-17	18-23	24-29	30-35	36-41	42-47	48+
Conventional Industry Labor Force Distribution	21.6%	16.8%	10.8%	17.0%	7.7%	5.3%	20.7%
Free Venture Industry Labor Force Distribution	28.6	22.4	12.2	16.3	6.1	4.1	10.2

and more relatively short term inmates, thus increasing the industrial worker base in terms of the number of distinct workers.

Finally, we explored the interrelationship between the time-eligibility requirement of 15 months of time to serve for Free Venture Industry candidates and the phased re-entry policy of the Connecticut Department of Correction. Figure II-7 shows the population flows[12] of time-eligible (≥15 months of time to serve) and time-ineligible inmates who are routed from Somers to community release.

It is apparent from this diagram that by adopting the recommended industry time-eligibility criterion, the impact of the phased-release policy of the Connecticut Department of Correction on the mobility of industries' labor force is diminished considerably. Regardless of the path by which an inmate is routed through the correctional system, the average duration of his stay at Somers is at least 19 months.

In contrast, Figure II-8 highlights the major impact which the phased-release program has on the mobility of those inmates who serve less than 15 months in prison. Indeed, these population flows demonstrate the futility of admitting these "short term" offenders into the Free Venture Industry program.

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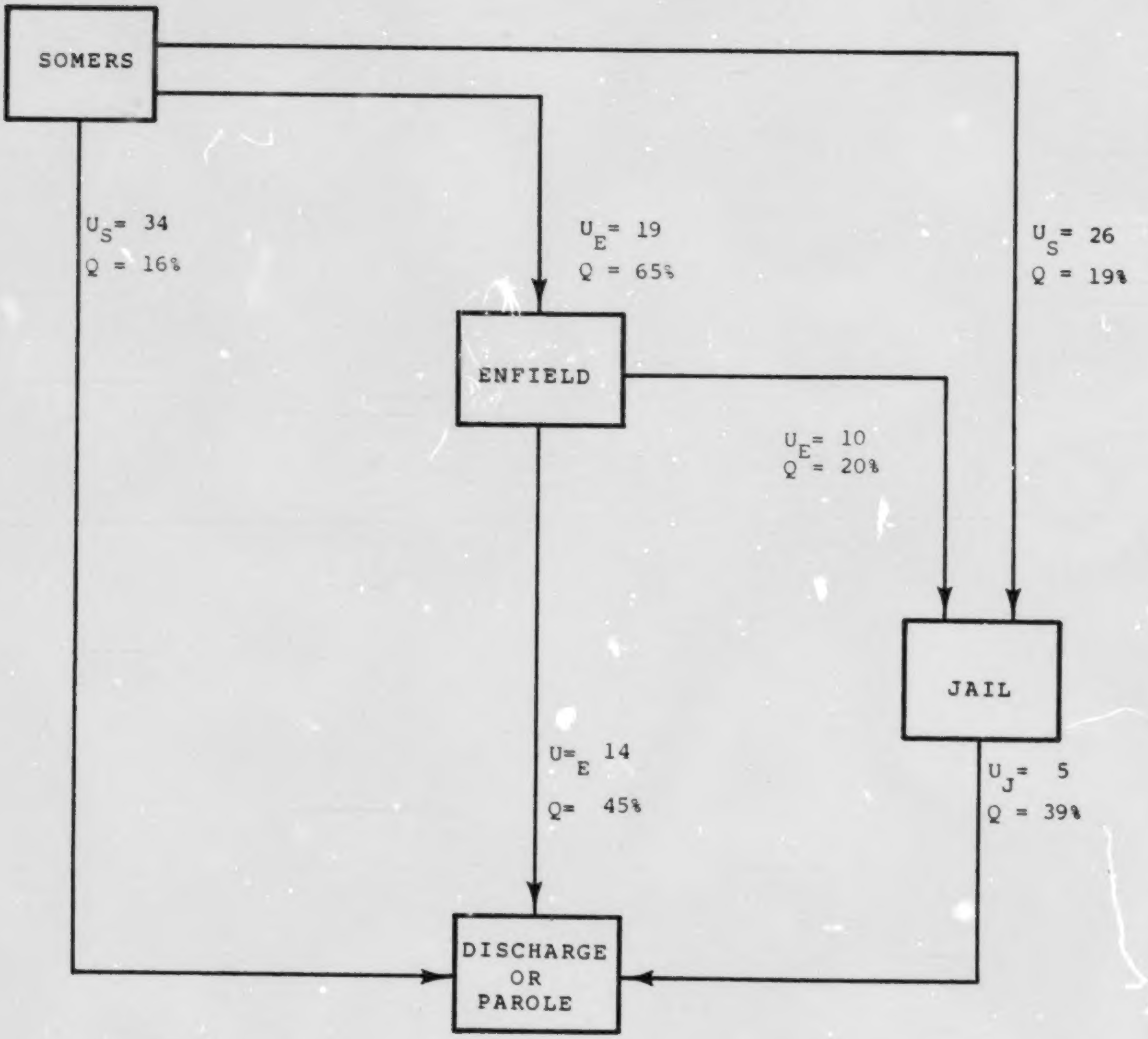
[12] As discussed earlier, the data is based on a sample of 222 inmates who began their prison stay at Somers and were discharged or paroled over the periods of November 1974-March 1975 and January 1976-March 1976.

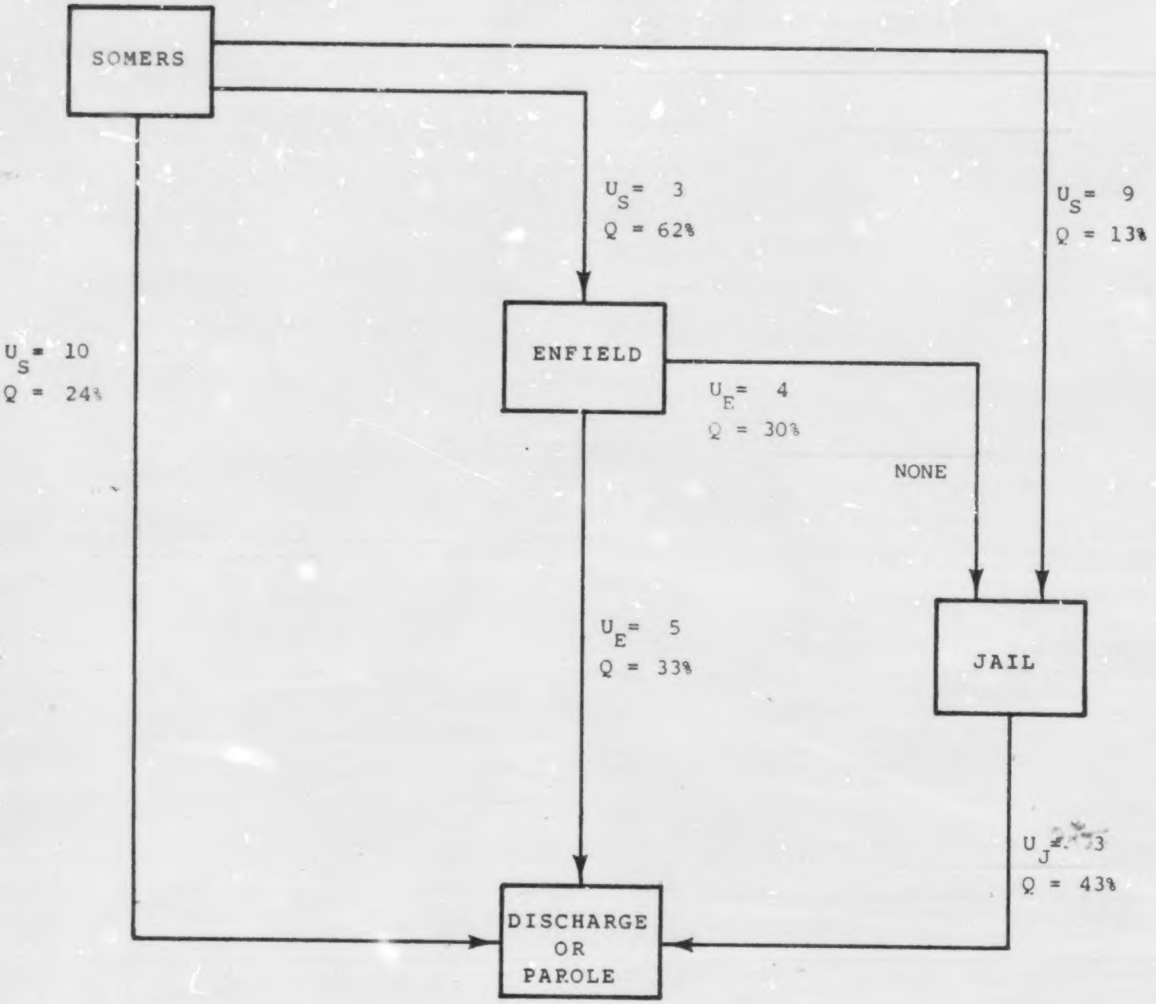


LEGEND:

U_i = Average Time in Months at the Indicated State (i)

Q = Percentage of Ex-inmates Who Followed This Path

Figure II-7 Population Flows for Ex-offenders Having a Prison Stay of at least 15 months



LEGEND:

U_i = Average Time in Months at the Indicated State (i)

Q = Percentage of Ex-inmates Who Followed This Path

Figure II-8 Population Flows for Ex-offenders Having a Prison Stay of Less Than 15 Months

Tables II-7 and II-8 respectively, provide summary statistics concerning the impact of the phased-release program on the mobility of the ex-offenders who served at least 15 months in prison and those who served less than 15 months. The average incarceration period was observed to be 33 months for the inmate group who would be time-eligible for the Free Venture Industry program, and 9.6 months for the inmate group who would be time-ineligible. These data indicate that the 15-month "cut-off" effectively divides the offender populations into a "long term" and "short term" group for which the average time served by the latter is approximately one-third of the former, regardless of the phased-release path used to return the offender to the community.

Thus, the proposed time-eligibility rule provides the Free Venture Industries with the flexibility needed to schedule its workers into the various shops, while accommodating the phased-release policy of the Connecticut Department of Correction.

Table II-8 Paths and Time Until Release For All Time-Eligible Free Venture Industry Candidates

Paths to Release	Percentage of Ex-Offenders Routed Via Indicated Path	Average Time Spent on Indicated Path (months)
S - D/P	16%	34
S - E - D/P	45%	(19+14) = 33
S - J - D/P	19%	(26+5) = 31
S - E - J - D/P	20%	(19+10+5) = 34
	100%	

Average Time To Release For Time-Eligible Industry Candidates Equals 33.0 Months

Legend:
S = Somers
E = Enfield
J = Jail or Community Correctional Center
D/P = Discharge or Parole

Table II-9 Paths and Time Until Release For All Time-Ineligible Free Venture Industry Candidates

Paths to Release	Percentage of Ex-Offenders Routed Via Indicated Path	Average Time Spent on Indicated Path (months)
S - D/P	24%	10
S - E - D/P	33%	(3+5) = 8
S - J - D/P	13%	(9+3) = 12
S - E - J - D/P	30%	(3+4+3) = 10
	100%	

Average Time To Release For Time-Ineligible Industry Candidates Equals 9.6 Months

Legend:
S = Somers
E = Enfield
J = Jail or Community Correctional Center
D/P = Discharge or Parole

APPENDIX TO CHAPTER II

MUTUAL AGREEMENT PROGRAM PLANNING

Introductory Note

The following is a model to be used in the implementation of the Mutual Agreement Program Plan concept. The model is designed and written so that it can be used with all inmates entering the Reception-Diagnostic Unit at Somers or any other such unit in another institution.

It is expected, however, that implementation of this model will begin with those inmates entering prison industry through the Free Venture Model, and program plans will be written at the point when an inmate is hired by the prison industry director. A special addendum has been designed to be used with the basic program plan form for those inmates entering prison industry.

The model is written, however, to be used with the general population as soon as Free Venture program experience warrants its expansion to the entire population. This, in turn, would see the other institutions begin to get inmates from Somers with program plans.

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MUTUAL AGREEMENT PROGRAM PLANNING

Mutual Agreement Program Planning (MAPP) involves an assessment of the strengths and weaknesses of the inmate followed by the design of an individualized program that will offer resource utilization in preparing him/her for a successful community adjustment following release on parole. Based on this assessment, treatment, training, and work objectives are prescribed, the inmate prepares a plan for him/herself, and program plan negotiations involving the inmate, the inmate, the institutional staff, and the project coordinator take place. The program plan is a legally binding document setting out the specific programs which the institution will provide to the inmate, and the inmate's agreement to successfully complete the programs and other specific objectives.

The program plan and the procedures surrounding it are seen as a means of involving the inmate in the process of rehabilitation, giving him/her the responsibility for program completion, and, in addition, allowing the Department of Correction to deliver programs and services in a timely manner, while gaining tighter program control administratively and making staff more accountable.

A standard document will be used and individualized objectives in the areas of education, vocational skill training, discipline, treatment, work assignment and work release will be set down for each inmate. Its crucial elements are timely service delivery, and inmate motivators--phased release, wage incentives, more spendable income, etc. The contribution of each party must be unambiguously defined. The offender agrees to certain behavior, and the improvement of vocational and educational skills; the correctional institution provides the programs in a timely manner; and the coordinator carries out any research and monitors the program plan. It must be clearly written and the inmate must understand what he/she is signing. The program plan must include provision for revision and renegotiation by all parties.

Selection Criteria

The program planning process will be available to all inmates. The criteria for each of the four security classifications (segregation, maximum, minimum, and community) will be developed and written by the Classification Committee, in order to set guidelines and minimums for movement to lower levels of security. Such movement will be built into the program plan and will be contingent upon successful completion of goals in a higher level.

Movement

Program plans will be written, in most cases, to include two or more phases. Movement from phase to phase will be dictated by the successful completion of program objectives and/or minimum time to be spent in a particular institution as specified in the program plan. The coordinator will monitor goal completion and will notify the Classification Committee of same. Upon certifications of goals and phase completion by the coordinator, the inmate will automatically proceed into the next phase of his/her program plan without another meeting with the Classification Committee. It will be the responsibility of the coordinator to notify all involved parties and to effect necessary transfers in phase movement.

Program Plan Development

Since the Reception-Diagnostic Unit at Somers processes all incoming adult males and collects information about them, in addition to administering a battery of tests and producing a formal structured report for the Classification Committee, the program planning will begin there. Actually, a similar process is already being done, but this will formalize and streamline the operation. The process follows:

1. The diagnostic counselor will discuss the program planning process with the inmate along with existing programs and services. He will give the inmate a sample program plan and ask him/her to take a day or two to fill out Part III.

2. Testing will take place and the results discussed with the inmate.

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3. Given the test results, the inmate and diagnostic counselor will revise, if necessary, the Part III objectives to reflect the reality of test results and program availability.

4. The formal program plan will become a part of the Reception-Diagnostic Report which is sent to the Classification Committee.

Program Plan Negotiation

The parties to the negotiations will include the inmate, the coordinator, and the Classification Committee. Arrangements for the negotiations will be made by the diagnostic counselor who will have gone over the inmate's test results, available programs, and his own desires with him in a personal meeting. He will also have made sure that all pertinent information concerning the inmate and his/her desires will have been distributed to both the inmate and the Classification Committee at least one week prior to the time of program plan negotiation. Thus, all parties to the program plan will come to the negotiations with an awareness of all necessary factual information.

The coordinator will moderate the negotiations and will perform as the spokesperson for the inmate. A critical element of this program is that the prisoner feel involvement and responsibility for what is expected of him/her, and that he/she come to some conclusion about what he/she expects of him/herself. The program plan should indeed be negotiated and should not be a program already put together by the institution. All parties should be flexible enough so that the inmate may be able to participate in a realistic program of his/her choice. The inmate must be able to speak freely, as must the other parties, and to indicate what he/she can and cannot do. Specific components of the program plan must be clear and caution must be taken to assure that the inmate understands the various components of the document.

If the negotiations produce a program plan, then the inmate will agree to successfully complete its components as they have been specified. The institution will agree to provide the inmate timely access to the necessary programs and services to successfully complete the program. The negotiation process should be:

1. Discussion of the proposed program plan and any pertinent tests or other information.

2. Negotiation of individual program plan components and phases.

3. Finalization of program components.

4. Program plan signing by inmate and Classification Committee.

5. Program plan sent to Warden and Commissioner for signatures.

The Program Plan

The program plan will be a legally binding document signed by the inmate, Classification Committee, the

Warden and the Commissioner of Correction. It sets specific phases and rewards for the inmate, contingent upon his/her successful completion of objectives in basic areas.

The provisions of the program plan will be developed according to the following guidelines:

1. The behavior expected of the inmate must be specific, and require a minimum of interpretation.

2. Where applicable, it will describe the expected performance in behavioral terms, that is, the actual behavior involved.

3. The behavior must be observable and measurable.

The program plan can be negated only by unsuccessful participation on the part of the inmate or by previously undisclosed information of major importance about the inmate. Included in this are major disciplinary infractions which result in segregation or the inability to complete a program plan as written.

If the parties to the negotiation are unable to agree to the components of a program plan, the inmate will revert without prejudice to the general prison population and be subject to regular institutional care. This would also apply to individuals who were not successful in meeting their objectives.

Program Plan Completion Process

1. Upon the completion of negotiations and the signing of the program plan, it must be made clear to the

inmate that it is his/her responsibility to undertake the various programs which are necessary to meet the objectives and that any difficulties should be brought to the attention of the coordinator.

2. The coordinator will closely monitor the progress of the inmate and make it a point to be aware of any problems the inmate may have.

3. The coordinator will confer at least bimonthly with the inmate and review the progress (or lack of same) toward his/her objectives.

4. The coordinator will submit an individual quarterly progress summary and review same with institutional classification officials.

Program Plan Renegotiation

Renegotiation is to take place under the following circumstances:

1. The inmate requests it.

2. The coordinator advises it, when the inmate is failing to meet his/her objectives.

3. Important information, formerly unknown, is brought to the attention of the Department of Correction.

The renegotiation process will be the same as the original negotiation process and will again include the inmate, the Classification Committee, and the coordinator, who will have discussed the reasons for the renegotiation with the inmate and will have made available the same information to the Classification Committee ten days prior to scheduled renegotiation. This will allow all parties to bargain on the same basis. The coordinator will be the inmate's spokesperson, and will moderate the renegotiations. The meeting will take place as soon as possible, but no later than fifteen days after request is made. Until new terms have been agreed upon, the original outline will be binding upon all parties.

The renegotiation of a program plan should take place only in exceptional circumstances.

Coordinator

The coordinator shall be a person who is familiar with the procedures and tests of the Reception-Diagnostic Unit, and with the other correctional units and their programs. He/she must have the trust of both the inmates and the Classification Committee. Duties include, but are not limited, to:

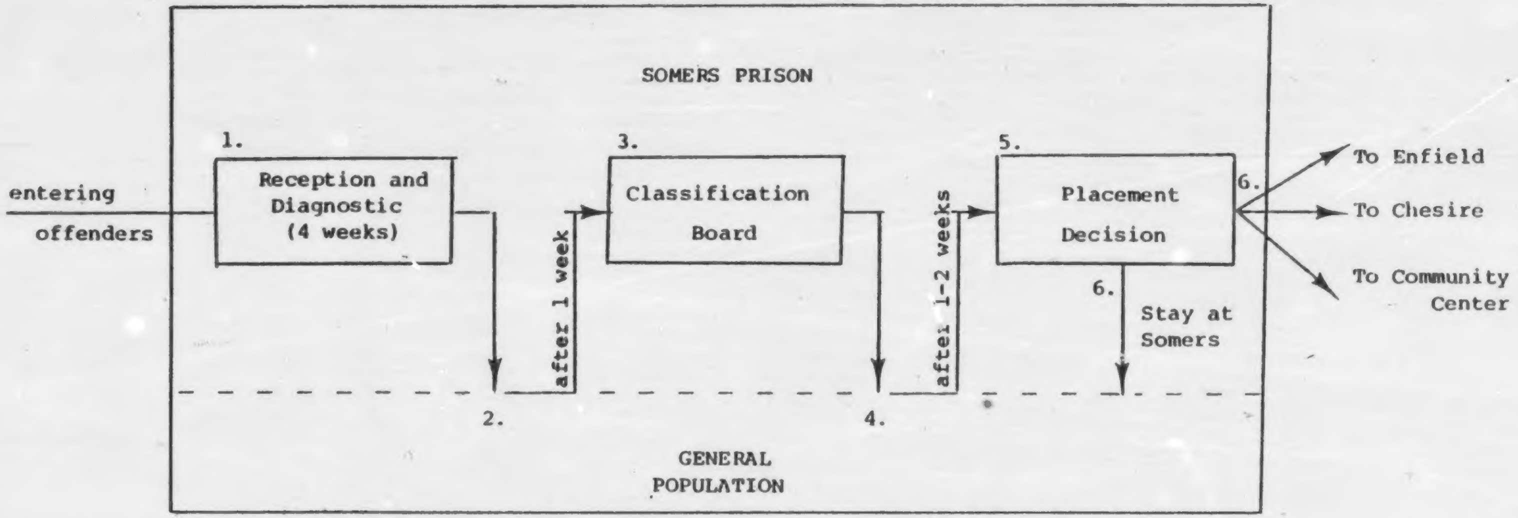
1. Overseeing information dissemination to inmates and staff, especially diagnostic counselors.
2. Training of diagnostic counselors in writing program plan objectives.
3. Scheduling negotiations and renegotiations.
4. Acting as spokesperson on behalf of the inmate during negotiations, if necessary.
5. Being sure finalized program plans are signed.

6. Monitoring completion of objectives and delivery of services.

7. Conferring with Classification Committee and writing quarterly reports for it.

8. Certifying completion of objectives and passage to next phase of program plan.

MUTUAL AGREEMENT PROGRAM PLANNING



1. Development of program plan in Reception-Diagnostic Unit at Somers - Four Weeks
2. Transfer to general population at Somers - One Week
3. Negotiate program plan with Classification Committee at Somers
4. Stay in general population at Somers one to two weeks, until...
5. Program plan approved by warden and commissioner
6. Begin contract

MUTUAL AGREEMENT PROGRAM PLAN
CONNECTICUT

Introduction

This agreement made this day between ______________ ______________________ #____________and the Connecticut Department of Corrections defines mutual responsibilities and utilizes an individualized program to prepare ______________ ____________________for a successful community adjustment following release on parole. The parties agree as follows:

Part I Inmate:

I, ____________________________, understand and agree to successfully complete* with a passing grade or an evaluation of satisfactory within my reasonable capabilities the objectives outlined in this document.

I understand that, at any time, I may petition for a renegotiation of this agreement. I will, to the best of my ability, carry out its objectives and realize that failure to do so will cancel it.

Part II Department of Corrections:

I, ______________________________, representing the Department of Corrections, agree to provide the necessary programs and services specified in Part III below to enable ______________________________ to successfully complete the objectives of this agreement.

Part III

Objectives	Phase I	Phase II	Phase III
Education			
Skill Training			
Treatment			
Discipline			
Work Assignment			
Work Release			
Other			

Part IV Interpretation Provisions

Contract cancellation or renegotiation shall take place in accordance with the terms and provisions of the approved Connecticut Model for Mutual Agreement Program Planning as amended and in effect on the date hereof. All questions, issues, or disputes respecting determination of successful completion of any contract program or service objective shall be decided by the MAPP coordinator. Prior to his decision, the Coordinator shall consult with both the inmate and the program staff member who made the evaluation respecting successful completion, and, in the Coordinator's discretion, he may mediate and consult jointly with the inmate and staff member respecting such question of dispute, or with any other person having material factual information regarding such question or dispute. The decision of the Coordinator shall be in writing and shall set forth the facts on which it is based and shall state the reasons for the decision. The Coordinator's decision shall be final and binding on all parties hereto.

In WITNESS WHEREOF the parties undersigned have hereunto set their hands and seals the ___________ day of ___________________ 19___.

(Cont'd.)

(Signed) ______________________________
Inmate

(Signed) ______________________________
Institutional Representative

(Signed) ______________________________
Warden

(Signed) ______________________________
Commissioner

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*Successfully Complete - For the purposes of the contract, "successfully complete" shall mean completed with a passing grade or evaluation of satisfactory, within the reasonable capabilities of the inmate, for the specific program or service objective being evaluated by the responsible staff member assigned to the individual program or service objective.

PROGRAM PLAN ADDENDUM

Free Venture Entry

Part I Inmate:

I, ______________________________, understand that my original program plan is still in force and that to it I am adding the below mentioned provisions and goals. I agree to abide by the rules and regulations of prison industry as set forth in the Prison Industry Regulations Manual.

Part II Prison Industry Director:

I, ______________________________, agree to provide the above mentioned inmate with the benefits below listed to enable him/her to complete the program plan objectives.

Part III Objectives:

A. Training

B. Wages and wage growth

C. Sequencing of jobs within the shop

D. Job development and placement or gate money compensation

(Cont'd)

Part IV Interpretation Provisions:

The interpretation provisions in the original program plan remain in effect in this addendum.

In WITNESS WHEREOF the parties undersigned have hereunto set their hands and seals this __________ day of __________________ 19 ____.

(Signed) ____________________________
Inmate

(Signed) ____________________________
Director, Prison Industries

III. PROGRAM MANAGEMENT PLAN - A STRATEGY FOR IMPLEMENTING PRISON INDUSTRY CHANGE

A. Short-Term Change

Recommendations for short-term prison industry change concern those innovations which can be undertaken over the period of the first year of program implementation. The subject areas of these recommendations include

- start-up of a number of Free Venture Industry shops;
- revising Industries' management structure and policies and upgrading of staff;
- developing/implementing improved management information systems;
- developing/implementing a marketing program;
- establishing a baseline record of performance of existing industry shops and utilizing this expanded data base to revise the Free Venture Industry program evaluation plan as appropriate.

Each of the action items for these subject areas are discussed in the following paragraphs.

1. Start-Up of Free Venture Industry Shops

a. Selection Criteria

It is difficult to state a unique set of rules that might define an order of preference among the various candidates for the Free Venture model. There are a number of considerations that should be accommodated. These include: required capital investment, not excessive relative to resources; favorable sales market; favorable profitability potential; favorable job market; and the availability of interested and qualified workers from among the inmate population, i.e., requirements on education and prior training not too restrictive. Against these selection criteria, the existing prison industry shops at Somers have been evaluated and the following recommendations made regarding their disposition.

The Clothing and Laundry Shops are not feasible candidates for Free Venture shops because of a distinct lack of interest of the inmate workers in related post-release jobs. (Only one worker out of a total of 31 workers in these two shops expressed an interest in a related post-release job.) We recommend that either these two shops be removed from Industries' jurisdiction and be reclassified as institutional work, or that they be shut down after suitable replacement industries have been identified and the necessary resources acquired. A decision on the disposition of the Small Engine Repair Shop should be deferred until it can be determined whether this shop can expand its sales market by operating as a licensed service franchise of a private firm engaged in the manufacture or retail sale of small engines. (The available state-use market for this shop is negligible.) The remaining shops at Somers for the Free Venture Industry program are: Print Shop, Typewriter Repair Shop, Dental Laboratory, Optical Laboratory, and the Furniture Industries, including the Woodworking Shop, the Upholstery Shop, and the Finishing/Refinishing Shop. All of these are judged to be suitable candidates for Free Venture shops; the Woodworking

Shop, however, has a serious profitability problem to overcome. ECON, Inc.'s present projections are that this shop will run at a loss, even though the products manufactured are of excellent quality. Although the Furniture Industry is otherwise an excellent candidate for the Free Venture model, the start-up of its three component shops should be delayed until the Woodwork Shop has resolved its operating problems and improved its profitability outlook. (The specific problems and recommendations for their resolution are discussed later in this report.)

The set of candidates for new industries that were explored during the course of this study include:

Microfilming Service Bureau;
Solar Energy Products;
Metal Products Industry;
Musical Instrument Repair Shop;
Bakery Products;
Data Processing Service Bureau.

Other candidates were considered, but proved to have major problems with respect to one or more selection criteria.

Of those listed, the Microfilming Service Bureau, the Data Processing Service Bureau, and the Musical Instrument Repair Shop are strongly recommended as Free Venture shops. The latter shop would be located at Somers, while the former shops would be located at Enfield. Metal Products industry, while attractive in many respects, requires a substantial capital investment. Due to the poor financial condition of Correctional Industries' revolving fund, we recommend postponement of a start-up decision on this shop until at least one full year of successful experience with the other Free Venture shops has been attained. Bakery Products shows promise with respect to the size of the state-use market and job market potential, but has a daily routing schedule dimension that needs to be analyzed before a recommendation can be made. The decision to implement a Solar Energy Products industry must await detailed economic analysis[1] of potential benefits from these installations. This analysis cannot be made over the period of this study in sufficient detail to make a final determination of this shop's viability.

A number of recommendations are made (based upon ECON, Incorporated's findings from the technical tasks which are discussed in Vol. VII) to facilitate the conversion of existing industry shops into Free Venture shops. Some of these recommendations are specific to each shop; others are applicable to all the shops.

b. Existing Industries' Shop Specific Recommendations

The capital investment, staffing, and industrial worker needs are summaried below for each shop together with the specific changes that are required to improve operations in each shop. The specific pieces of equipment needed for each shop are listed in Vol. VII, Section II-C-4. The shop specific equipment recommendations are not repeated here; instead, only the resulting capital investment requirement for each shop is reported.

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[1] At this writing, HUD (U.S. Department of Housing and Urban Development) is initiating a five-year demonstration program to demonstrate solar heating and cooling systems in residential applications.

The Dental Laboratory has a capital investment requirement of approximately $5000. No additional staff is required during the first year of operations; however, it is recommended that the work force be expanded as indicated in Table III-1. The Dental Laboratory should maintain the current pricing structure for their products.

The Optical Laboratory has a requirement for new capital investment in the amount of $27,000. No additional staff is required for the first year of operations and, while the size of the inmate labor force may remain at its present level, the mix of labor skills should be changed as indicated in Table III-1. The Optical Laboratory should revise its prices upward to an average price of $14.00 per pair of glasses. In addition, when fully equipped, the Optical Laboratory will have a production capacity that exceeds the potential state-use market. It is recommended that this idle capacity be utilized to provide a hearing aid assembly and fitting service. Start-up costs for this added product line would require an additional investment of $5000. However, no additional

Table III-1 Present and Projected Manpower

	Present Manpower		Projected Manpower	
Existing Shops	Workers	Hours/Year	Workers	Hours/Year
Print Shop	9S + 3SS = 2T = 2N	12,480	11S + 3SS + 4T +2N	35,000
Typewriter	5S + 10SS	11,700	8S + 7SS + 5T	35,000
Optical	4S + 6SS	7,800	4S + 2SS + 2T + 2N	17,500
Dental	4S + 5SS	7,020	6S + 6SS + 4T	28,000
Finish/Refinish	11S + 17SS + 2N	23,400	14S + 15SS + 5T + 2N	63,000
Upholstery	5S + 19SS + 2N	20,280	10S + 10SS + 6T	45,500
Woodwork	5S + 6SS + 2N	10,140	8S + 8SS + 4T	35,000
New Shops				
Microfilming Service Bureau	Not applicable	Not applicable	1S + 6SS + 7N	24,500
Musical Instruement Repair	Not applicable	Not applicable	2S + 2SS + 3T	12,250
Data Processing Service Bureau	Not applicable	Not applicable	7SS + 3T	17,500

Legend: S = Skilled, SS = Semiskilled, T = Trainee and N = Non-Production Worker staff or workers would be required to undertake this expansion of the shop's services.

In the State of Connecticut a dispensing optician must be licensed by the State Commission of Opticians. In order to take a licensing exam, an applicant must be recognized by the Commission as an apprentice. Recognition as an apprentice is conditioned on training under a licensed optician in a licensed shop. Currently, the Somers Optical Laboratory cannot be licensed because its function is training rather than processing/dispensing. Thus, it is recommended that the Director of Industries take the necessary steps to assure that the Somers Optical Laboratory is recognized as a licensed shop and the inmate workers recognized as apprentices according to the requirements of the State Commission of Opticians.

Connecticut legislation currently includes a statutory provision that conditions the granting of optician, optician assistant, optician-mechanical, and optician-mechanical assistant licenses on such grounds as the applicant possessing a "good moral character". License application forms ask the applicant to indicate whether he or she has ever been convicted of a crime or a felony in a court of law (excluding traffic offenses). It is recommended that the Director of Industries inquire into this matter and take whatever action may be required to remove these barriers to the employment of ex-inmate workers from the Somers Optical Laboratory in this field. Of interest is the fact that Connecticut is the only state that has barriers to the licensing of assistant opticians or mechanical assistants.

The Small Engine Repair Shop will require a capital investment of $15,000, but this investment should only be made if the Director of Industries can arrange to qualify this shop as a service representative of Briggs & Stratton, Kawasaki, Mercury, or other companies producing or selling products using small two- and four-stroke internal combustion engines. If this can be arranged, then one additional supervisor should be hired to direct the activities of the service portion of the Small Engine Repair Shop while the present supervisor directs a vocational training program for this shop. In addition, the facility which formally housed a computer programming training laboratory should be devoted to the servicing function of the Small Engine Repair Shop; while the existing facilities for this shop should be utilized for training purposes only. It should be noted that since the Small Engine Repair Shop presently operates as a vocational training program, and since the available state-use market is negligible (thereby necessitating a linkage with private industry), no detailed analysis of the shops' profitability potential is warranted at this time.

The Print Shop is in need of an additional capital investment of approximately $30,000. No additional staff is required for the first year of expanded operation; however, the size of the inmate work force should be expanded as is indicated in Table III-1. The price structure for the Print Shop products need not be revised. Since there exists a general lack of goodwill in the state agency market regarding the quality and timeliness of the products delivered by the Print Shop, intensive quality control and customer relations programs should be initiated immediately.

The capital investment requirements for start-up of the Typewriter Repair Shop are relatively small, approximately $2000. One additional supervisor is recommended, together with an expansion of the inmate work force, as indicated in Table III-1. In addition, the present price structure for overhauling manual and electric typewriters ($20 and $30 per overhaul, respectively) must be increased to $30 and $45 per overhaul, respectively, if this shop is to be profitable.

The capital investment needs of the three component shops of the Furniture Industry are:

- Upholstery - none,
- Finishing/Refinishing - approximately $28,000, and
- Woodworking - approximately $27,000.

No additional staff is required for any of these shops during the first year of operations; however, increases in the labor force of the shop will be required as indicated in Table III-1. Prices in the Finishing/Refinishing Shop and the Upholstery Shop should be revised upward. Due to the many products offered by these shops, the reader is referred to Vol. VII, Section II-D-3 for recommended price revisions by product. In addition, the supervisor of the Upholstery Shop should participate in some in-service program(s) within a civilian upholstery industry or agency. The Director of Industries should provide consulting support to assist in the reorganization of the shop's operation and manpower assignment procedures. Efforts to upgrade the quality of work in the Finishing/Refinishing Shop should be initiated and monitored. The operating problems of the Woodworking Shop are most severe, even though the quality of the finished products is excellent. Given the relatively high costs of the raw materials used in the Woodworking Shop, the prices of many products in this shop are already at the open market level. It would be counterproductive to increase these prices further; yet without increased prices, this shop would not operate profitably if it adopted the wage structure recommended for the Free Venture Industry workers.

Before a Free Venture mode of operation is introduced into this shop, the following steps must be taken:

- Re-examine the current practices of purchasing raw materials and determine how lower purchase prices can be obtained;
- Selectively choose to emphasize the production of those products that allow a sufficient markup. Examples of such products are: executive desk, conference table, coffee table, and utility table;

- Changeover from job lot to mass production wherever feasible. It is likely that about 50 percent of the current production work can be shifted to mass production.

After these steps have been taken, the financial viability of this shop should substantially improve. A revised profitability analysis should be undertaken at that time to assess the profitability potential of this shop while meeting the wage policy of the Free Venture model.

c. Existing Industries' Non-Shop Specific Recommendations

Recommendations generally applicable to all Free Venture shops include the following:

- At Somers, house all the Free Venture Industry workers in one cell block so as to assure timely arrival of the workers in the industry area each day;
- Provide each industry shop with a time clock and require the use of time cards by each inmate worker to properly record the number of hours he was at work in the shop; and
- Disallow interruptions in the work day for haircuts, visits, etc., and require that each inmate worker accumulate 30 hours of work time in any one week except for illness.

d. New Industry Recommendations

The start-up requirements for the Microfilming Service Bureau include a capital investment of approximately $30,000 for an initial operating capability. Additional equipment would be required to expand the range of services of this shop, but it is recommended that this equipment be leased. Labor requirements for this shop include one supervisor and a work force as described in Table III-1. The shop will require approximately 2,000 square feet of space and should be located at Enfield for easy access to incoming and outgoing shipments of state agency records in bulk packages.

The Musical Instrument Repair Shop requires a capital investment of approximately $15,000 for equipment and an additional investment of approximately $23,000 to retain the services of an industry expert for the purpose of developing musical instrument training manuals and conducting a six month training program. In addition, labor requirements include one supervisor and an inmate labor force as described in Table III-1. This shop will require approximately 1,500 square feet and should be located at Somers.

The Data Processing Service Shop does not require the purchase of any equipment since all of the equipment will be leased. Investment is required, however, for a training program to start the shop operation. The training program would extend for a period of six months and would cost approximately $22,500 for instructor labor, the cost of leasing computer terminals, and performing data processing on a commercial time-sharing system. In addition, the shop would require one supervisor and an inmate labor force as described in Table III-1. This shop would require approximately 600 square feet of space and should be located at Enfield. It is recommended that this shop be operated as a not-for-profit corporation under contract with the Connecticut Department of Correction.

e. Operating Mode of the Free Venture Shops

It is recommended that all of the shops discussed in the preceding section operate their industrial programs in accordance with the Free Venture model. The recommended start-up date for each Free Venture shop is shown in Table III-2. Earlier in this Chapter recommendations on product prices and inmate wages were made to facilitate the achievement of two profitability goals for Free Venture Industries, a 5 percent minimum return on sales for any individual shop, and an overall profit of 10 percent of sales for the collection of Free Venture Industries. The profitability analysis performed by ECON, Inc. as described in Volume VII demonstrates that it is feasible for Free Venture Industries to achieve these profit levels while paying the inmate workers at the recommended wage level and holding prices generally from 10 percent to 25 percent lower than the open market prices of similar products. Nevertheless, these goals will not be achieved without sound business leadership and management. Therefore, at the level of the industry shops, we recommend that Industry Advisory Committees be recruited for each shop as soon as possible from the private sector[2] to help the industry supervisors establish shop operating standards and to provide ongoing assistance to and independent monitoring of shop productivity.

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[2] Over the past year private industry has provided highly valued service to Correctional Industries, e.g., Control Data Corp. in Minnesota, Proctor & Gamble in Illinois, Honeywell Corp. in Massachusetts, and SAFECO in the State of Washington.

Table III-2: Start-Up Schedule for Free Venture Industry Shops

Dental Lab	October '76
Optical Lab	October '76
Typewriter Repair	October '76
Print Shop	November '76
Woodwork	January '77
Finish/Refinish	January '77
Upholstery	January '77
Musical Instrument Repair	November '76
Microfilm Service Bureau	October '76
Data Processing Service Bureau	November '76
Small Engine Repair Shop	To Be Determined
Metal Products Shop	To Be Determined

It is recommended that these Committees take up the following tasks initially:

- Review Volumes I, VI and VII of the final report of ECON, Inc;
- Tour the shops and make specific suggestions on shop standards and ways to improve the efficiency of shop operations, improve quality control, shop management, and inmate worker performance;
- Assist Industries to prepare a recruiting brochure for each shop which, among other things, would outline the relevance of the jobs available in the shop to corresponding work on the outside and the job opportunities, wages and growth potential of occupations related to the shop as well as the geographical distribution of job opportunities for shop graduates. The brochure should be reviewed and updated at least every two years; and
- Assist Industries in the preparation of monthly management reports covering production schedules, revenue projections, accomplishments, cost projections, and controls as in Table III-3. At the conclusion of a six month period, a report should be written by each Industry Advisory Committee to the Industries' Director and the Commissioner as to the recommendations made and implemented within the shop, progress to date, and future problems and prospects.

2. Management Structure and Industry Staff/Policy Recommendations

It is recommended that the management structure of Industries be revised as is indicated in Figure III-1, separating, for administrative and management purposes, the educational staff positions from the industrial staff positions. It is recommended that the Commissioner of Correction appoint a new Director of Industries having a business administration orientation. The Director of Industries would

Table III-3 Recommended Industry Shop Reports

The following are the recommended minimum reporting requirements[3] to the Director of Industries (monthly) and to the Commissioner of Correction (quarterly).

1. Marketing/Sales Manager
   - a. All changes to previous sales forecasts (by shop)
   - b. Summary of customer complaints on quality and/or late delivery problems by shop
2. Shop Manager
   - a. Scheduled position against production plans and, if delinquent, production catch-up plan
   - b. Performance against production efficiency standards
   - c. Scrap, rework against standards
   - d. Customer returns vs. shipments and internal quality control statistics
3. Procurement Manager
   - a. Report on open orders and the delinquencies
   - b. Total dollar commitment and how much is firm (non-cancellable)
   - c. Number of unplaced orders
   - d. Total dollars in stores, crib inventory by category (i.e., raw steel, paper, etc.)
   - e. Total dollars in Work In Progress
   - f. Finish goods inventory
4. Controller

   Give a total summary review combining some of the previous reports, but specifically to cover the following:

   - a. Product costs vs. standards (product costs to include material content, labor content, scrap rework)
   - b. Total dollars of finished goods by product
   - c. Burden rates by area within the respective industry
   - d. Major capital equipment expenditures or anticipated expenditures
   - e. Inventory--excess/obsolete and plans for disposal
   - f. Highlight any budget deviations.

Each of the above individuals should also have projections of their plans for the next three months.

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[3] Adapted from Control Data Corporation Prison Industry Task Force Recommendations to the Department of Corrections, Minnesota, January 1976.

report directly to the Commissioner and have total responsibility for Free Venture and other industry shops. Other additions to the management structure would include a Controller of Industries (a substantially upgraded function from the present business office manager position) and a Marketing Manager. The proposed responsibilities of these two new positions are delineated in Figure III-1. The Operations Manager position is essentially a redefinition of the second level management position in the current industry organization; the management responsibilities associated with this position have been more specifically defined than is presently the case. At each institution we recommend that an industry manager be designated to administer and direct the activities of the industry shops therein. After appointment of the Director of Industries, it is recommended that he undertake the following tasks immediately:

- Recruit an Industry Advisory Committee for each Free Venture shop;
- Review all administrative management and administrative staff positions and duty assignments, and revise allocation of administrative resources accordingly;
- Review with industry shop supervisors, Marketing Manager, and Controller, the first quarter production plans of each shop and the budgetary and other needs of the shop supervisors;
- Remove the present order processing system from the business office (which places inmates in charge of the entire system) and assign it to each individual supervisor (or a supervisor

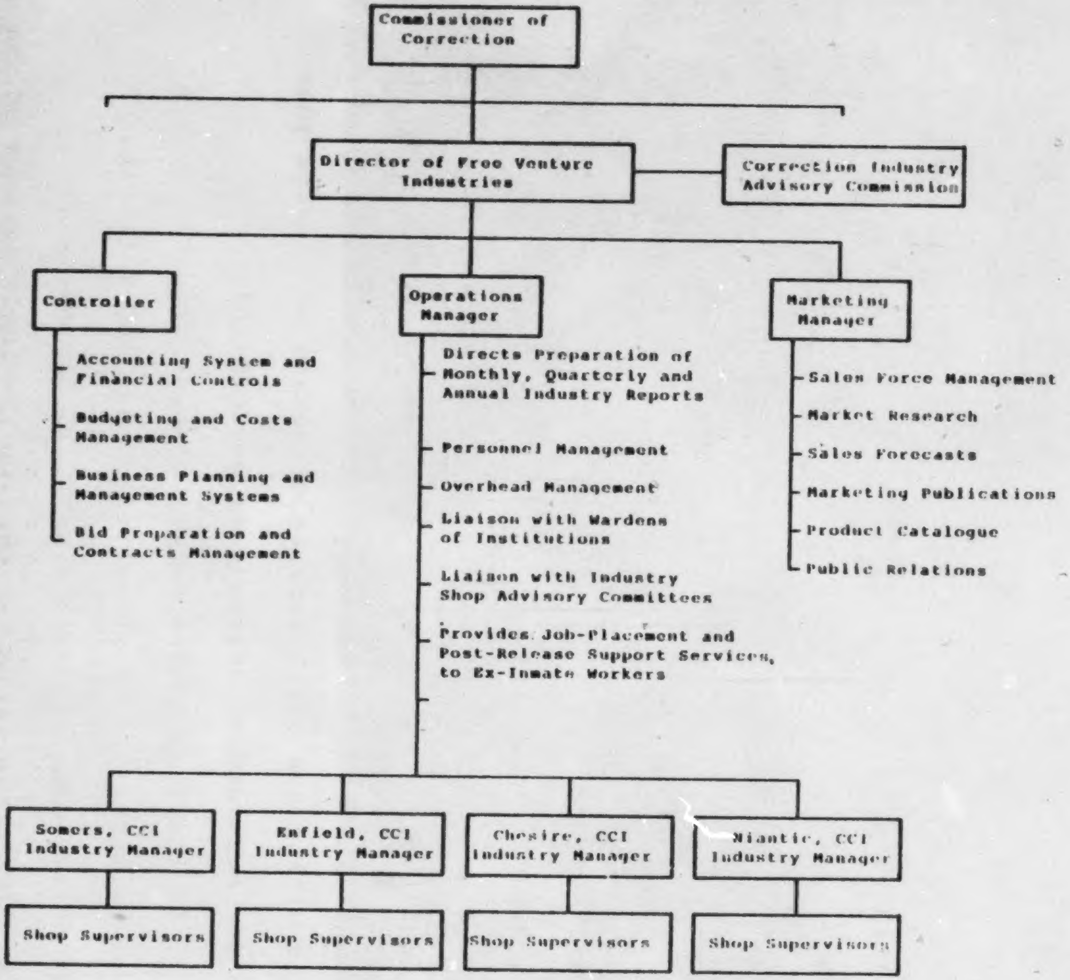
Commissioner of Correction
Director of Free Venture Industries
Correction Industry Advisory Commission
Controller
Accounting System and Financial Controls
Budgeting and Costs Management
Business Planning and Management Systems
Bid Preparation and Contracts Management
Operations Manager
Directs Preparation of Monthly, Quarterly and Annual Industry Reports
Personnel Management
Overhead Management
Liaison with Wardens of Institutions
Liaison with Industry Shop Advisory Committees
Provides Job-Placement and Post-Release Support Services, to Ex-Inmate Workers
Marketing Manager
Sales Force Management
Market Research
Sales Forecasts
Marketing Publications
Product Catalogue
Public Relations
Somers, CCI Industry Manager
Enfield, CCI Industry Manager
Chesire, CCI Industry Manager
Niantic, CCI Industry Manager
Shop Supervisors
Shop Supervisors
Shop Supervisors
Shop Supervisors

Figure III-1 Recommended Industry Management Structure

assistant who is not an inmate). Materials procurement would also be changed if this took place so that each supervisor could maintain a stock in inventory commensurate with the order he knew he had.

As regards industry staff, it is recommended that a Free Venture Industry orientation program be developed together with a course of instruction in financial and industrial management as a first step in the updating and maintenance of supervisory management skills. To further promote the professional growth of industry staff, it is recommended that the Director of Industry provide continuing training opportunities. Tuition reimbursement and travel and living expense reimbursement for attendance at meetings of correctional or technical/professional societies and other inducements for professional growth should be considered within the constraints of the civil service system of Connecticut. In addition, because of the increased demands that will be placed on supervisory staff, it is most important that job-growth opportunities be developed within the civil service structure to provide just rewards for outstanding supervisory performance.

In addition to the policy changes required by the Free Venture model, it is recommended that the following industry policy deficiencies be remedied immediately:

(1.) the lack of formal and periodic reviews of the on-the-job performance of each inmate worker and shop supervisor,

(2.) the lack of written records as to the daily allocation of Industries' central office and institutional management and support staff time devoted to specific shops and/or general administrative functions, and

(3.) the lack of use of any metering system to measure (as opposed to allocating) the cost of utilities consumed by Industries in the various institutions.

Recommendations on item (2) above will be developed as part of the design and implementation of the new industry accounting system that is discussed later in this report. Recommendations on item (3) should be developed by the engineering staff of the Department of Correction. As to item (1), Exhibits 1 and 2 provide illustrative examples of the type of performance evaluation forms[4] that should be utilized by Industries.

One further area requiring policy change concerns the lack of any organized feedback to inmate workers in industry shops regarding the experience of ex-inmate workers from those shops. It is recommended that an information program be developed which emphasizes the positive post-release experiences which have historically been achieved by a number of specific ex-inmate workers on a shop-by-shop basis. Post-release experience reported should include at least the following items: successes in terms of job placement, earnings, and in "straight time" on the street accumulated to date. In addition, Industries should post on shop bulletin boards timely newspaper

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[4] These forms are presently in use by the Canadian Penitentiary Service. They have been provided to ECON, Inc. through the courtesy of Mr. Ray Thompson, President, Correctional Industries Association.

EXHIBIT 1

INDUSTRIES "PILOT PROJECT"
INMATE APPRAISAL REPORT

CONFIDENTIAL

Date Completed		
Day	Month	Year

1. PERSONAL DATA
(To be completed by Personnel Office)

Social Insurance No.	Date of Birth			Pen No.	Last or Family Name Given Names and Initials
	Day	Month	Year		

Work Location	Position Title	Grade

Hourly Rate	Date Appointed to Present Position			Name of Immediate Supervisor	Classification (Supervisor)
	Day	Month	Year		

2. DUTIES AND RESPONSIBILITIES (To be Completed by Business Manager)

List the Most Significant Duties and Responsibilities.

3. PERFORMANCE APPRAISAL Supervisor: Appropriate Performance Block	Unsat.	Barely Satis.	Satis.	Very Good	Out-standing
1. Displays Knowledge of Assigned Job in Keeping with his Training and Experience (Skill)					
2. Does Work Promptly and Well					
3. Work Habits					
4. Prepares Complete, Accurate, Clean and Concise Work.					
5. Performs Effectively Under Pressure					
6. Works Successfully with Others					
7. Adapts to Changes Without Loss of Efficiency					
8. Accepts Direction Readily					
9. Displays Positive Attitude Towards Work					
10. Displays Positive Attitude Towards Learning					
11. Accepts Responsibility					
12. Displays Aptitude for Learning Trade					

4. OVERALL ASSESSMENT
Supervisor: the Box Which Best Represents your Evaluation of the Employee in Relation to the Requirements of his Position

Fails to Meet Most of Major Requirements	Fails to Meet Some of Major Requirements	Meets Major Requirements	Exceeds Some of the Major Requirements	Always Passes Major Requirements
☐	☐	☐	☐	☐

EXHIBIT 1

INDUSTRIES "PILOT PROJECT"
INMATE APPRAISAL REPORT
(Continued)

5. WORK RECORD

Supervisor: State Whatever Information is Necessary and Pertinent to the Employee's Work Record while Engaged in the Industrial Pilot Project since the Last Assessment.

1.

2.

3.

4.

5.

---

6. RECOMMENDATION FOR PROMOTION Recommended ☐ Not Recommended ☐

Supervisor's Comments:

---

7. UPGRADING

(a) What Course(s) or Training Related to Industry was Undertaken During Past 6 Months/Year (To be Completed by L.U. Officer, AD(OD) or C.O.)

(b) State Specific Training Recommendations that Would Improve this Employee's Performance (To be Completed by AD(OD))

SIGNATURES: This Appraisal has been seen and discussed with the Inmate Prior to Signature

Employee: ______________________ Date: ______________

Supervisor: ______________________ Date: ______________

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EXHIBIT 2

Solicitor General
Canada

Penitentiaries

PERFORMANCE APPRAISAL

CONFIDENTIAL

Position number	Responsibility Center	Date completed Day | Mon. | Year

1. PERSONAL DATA

Family name	Given name & initials	Social insurance number	Date of birth Day | Mon. | Year	Mr. ☐ Mrs. ☐ Miss ☐
Branch and geographic location		Position title		Classification: group & level Position | Employee
Annual salary | P.F. allowance	Date appointed to present position Day | Mon. | Year	Name of immediate supervisor		Classification

2. DUTIES AND RESPONSIBILITIES

(a) Employee: List your most significant duties and responsibilities

(b) Supervisor: √. Appropriate performance block.

Unsatisfactory	Room for improvement	Satisfactory	Better than most	Outstanding
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐

(c) Supervisor: Give specific examples of other than "satisfactory" ratings.

(d) Employee: What self-study or self-improvement course did you undertake on your own during the past year?

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EXHIBIT 2
(continued)

3. EMPLOYEE OBJECTIVES

(a) Employee: If applicable summarize specific goals and objectives assigned to you during the period under review. N/A if not applicable.

Supervisor: √ appropriate performance block

Unsatisfactory	Room for improvement	Satisfactory	Better than most	Outstanding
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐
☐	☐	☐	☐	☐

(b) Supervisor: Give specific examples of other than "Satisfactory" ratings.

(Use an additional information sheet, if this space is not sufficient

4. PERFORMANCE APPRAISAL

(a) Supervisor: √ appropriate performance block.

	Not applicable	Unsatisfactory	Barely Satisfactory	Satisfactory	Better than most	Outstanding
1. Displays knowledge of assigned job in keeping with his training and experience.	☐	☐	☐	☐	☐	☐
2. Does work promptly and well.	☐	☐	☐	☐	☐	☐
3. Evaluates abilities and limitations properly.	☐	☐	☐	☐	☐	☐
4. Plans immediate and long term requirements effectively.	☐	☐	☐	☐	☐	☐
5. Analyzes problems and situations competently and with dispatch.	☐	☐	☐	☐	☐	☐
6. Makes sound decisions without delay.	☐	☐	☐	☐	☐	☐
7. Accepts full responsibility for own decisions.	☐	☐	☐	☐	☐	☐
8. Takes necessary and appropriate action on his own	☐	☐	☐	☐	☐	☐
9. Presents ideas clearly and concisely.	☐	☐	☐	☐	☐	☐
10. Produces thorough, accurate, clear and concise work.	☐	☐	☐	☐	☐	☐
11. Performs effectively under pressure.	☐	☐	☐	☐	☐	☐
12. Works successfully with others.	☐	☐	☐	☐	☐	☐
13. Adapts to changes without loss of efficiency.	☐	☐	☐	☐	☐	☐
14. Considers good suggestions.	☐	☐	☐	☐	☐	☐
15. Organizes and directs work of subordinates effectively.	☐	☐	☐	☐	☐	☐
16. Shows consideration for the morale and the development of subordinates.	☐	☐	☐	☐	☐	☐

EXHIBIT 2
(continued)

(b) Supervisor: State specific examples of other than "satisfactory" ratings.

(Use an additional information sheet, if this space is not sufficient

5. TRAINING

(a) Employee: What specific training would help you to improve your work performance in your present position?

(b) Supervisor: State your specific training recommendations that would improve this employee's performance.

6. OVERALL ASSESSMENT

(a) Supervisor: ✓ the box which best represents your evaluation of the employee in relation to the requirements of his position.

☐ Unsuitable
☐ Fails to meet some of the major requirements
☐ Meets major requirements
☐ Exceeds some of the major requirements
☐ Always exceeds major requirements

(b) Supervisor: State your reasons for this assessment, consistent with your ratings in part 2 & 4.

7. FUTURE EMPLOYER OBJECTIVES

Supervisor: If applicable, state goals and objectives assigned to the employee for the coming year.

Signatures: This appraisal, the goals and objectives for the coming year have been seen and discussed with the employee.

Employee's signature	Supervisor's signature	Date Day	Mon.	Year

EXHIBIT 2
(continued)

8. REVIEWING OFFICER: √ as applicable

☐ I have reviewed this Performance Appraisal Report and I concur with the supervisor's assessment.

☐ I have reviewed this Performance Appraisal Report and I do not concur with the supervisor's assessment for the following reasons:

Reviewing Officer's signature	Position title.	Date Day	Mon.	Year

9. APPRAISAL COMMITTEE

Committee comments

With the exception of any information listed below we concur in the performance appraisal training recommendations and overall assessment.

Chairman ______________________ **Position title** ______________________
Signature

Member ______________________ **Position title** ______________________
Signature

Member ______________________ **Position title** ______________________
Signature

Date
Day | Mon. | Year

articles and job advertisements relating to the work within the shop. Finally, inmate workers about to be released should be encouraged to provide information about their successful post-release experience back to the industry shops.

3. Management Information Systems

First and foremost, Industries is in dire need of a comprehensive accounting system to make possible an improved financial management and control system. ECON, Inc. retained the consulting services of Robert L. Tammaro (CPA) to examine the financial records, practices, and controls presently in use within Correctional Industries. The major finding of his effort was that the financial/accounting system presently in use by Correctional Industries does not support any definite statements about the costs or profitability of industry operations. Excerpts from his letter report to ECON, Inc. substantiates the wisdom of taking a skeptical view of the reported financial data in Correctional Industries' Annual Report.

> 1) "Certain segments of the overall system are functioning as separate entities, as is the case with fixed asset accounting. The "detailed" fixed asset records do not agree with the corresponding general ledger controlling account. The balances are periodically brought into agreement by arbitrarily adjusting (commonly referred to as "plugging") the accounts to compensate for these unreconciled differences. Other areas of the present system also lack integration and are equally reflective of the absence of fundamental proofs, reconciliations and controls."

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2) "Unacceptable accounting methods and principles being applied"........Example: Revenue is presently being reported on the accrual method of accounting (revenue is reported as bills are rendered, as opposed to cash being received), while expenditures are recorded on the cash method of accounting (expenditures are recorded as vendor invoices are being paid, as opposed to the date that goods are received or the services rendered). The foregoing procedure is in violation of generally accepted accounting principles, as well as established governmental accounting practices and procedures."

3) "Present system is producing inaccuracies"..... Examples: No comprehensive physical inventories are taken, year-end sales and purchase "cut-offs" are not considered, no machine generated inventory data, inaccurate fixed asset accounting, inaccurate recording of depreciation expense."

4) "It is our preliminary conclusion that no meaningful results can be obtained from the existing accounting system and reporting methods currently employed by the Somers Print Shop."

5) "Absence of Cost Accounting System".....Result: Lack of cost control, appropriate information not available for cost estimating and corresponding pricing, job order profit information unavailable, etc."

In view of the above findings, ECON, Inc. has recommended that a complete redesign and implementation of a comprehensive industry accounting system be undertaken.

The Connecticut Department of Correction was one of the first organizations to introduce a computerized corrections information system. Because of a number of operational deficiencies, the system has engendered a loss of confidence in the minds of many of its intended users. ECON, Inc. undertook an analysis of the specific problem areas and developed recommendations for the redesign and implementation of an improved system (see Volume Vii, Section IV). A revised system would afford the advantage of updated inmate manpower information for industrial and institutional planning and management. It is recommended that the Department of Correction continue the planning efforts that have been initiated in this area.

Earlier in this volume we describe the need for a job scheduling system at the institutional level. It is recommended that the Department of Correction begin the planning of such a system not only for scheduling inmates into the Free Venture shops but to develop an institutional manpower scheduling system for all inmates.

In order to meet its job-placement responsibilities, Industries must be responsive to labor market conditions in Connecticut. It is recommended that a regular updating of industrial and occupational employment statistics should be instituted. Such a monitoring system would properly be administered by the Department of Correction's Prison Industry Director. Several levels of monitoring activity can be foreseen: major industry group employment checked annually or semi-annually, detailed industrial employment checked every five years, and specific occupational employment--current and projected--checked every ten years. The information sources that are available for monitoring the job market are provided in Table III-4 below.

Table III-4: Job Market Monitoring Information

Data	Frequency	Source
Major Industry Group Employment	Annual or semi-annually	State DOL monthly publication
Detailed Industrial Employment	Every Five Years	County Business Patterns
Specific Occupational Employment	Every Ten Years	Projections Prepared by State DOL Employment Security Division

The operation of the job market monitoring system is described in Volume VII, Section II-A-3.

4. Marketing Program

Table III-5 provides an overview of the potential state use sales market in Connecticut and the opportunity for prison industry expansion over current operations.

If Industries are to expand the annual sales of its various shops, a more dynamic and imaginative marketing and sales function will be required, especially in the Furniture, Printing and Typewriter Repair Shops. The market for these shops is comprised of a wide variety of state and municipal customers, geographically distributed over the entire state

Table III-5: State-Use Prison Industry Market In Connecticut[5]

SHOP	PRISON INDUSTRY ANNUAL SALES	STATE-USE MARKET POTENTIAL	% MARKET CAPTURED
PRINT	$200,000	$8.3 MILLION	2.4%
FURNITURE	204,000	5-6 MILLION	3.4-4%
TYPEWRITER REPAIR	4,000	$700,000	0.6%
OPTICAL	6,000	175,000	3.4%
DENTAL LABORATORY	16,000	700,000	2.3%

[5] Data for Fiscal Year ending 1975.

with a heavy emphasis on the local school system market. In contrast, the Dental and Optical Shops will deal with only one or two customers and will not require extensive marketing support. The recommendations that follow apply primarily to those shops, both existing and future, that serve the general state and municipal market, rather than those having only a few large customers.

a. Promotion and Public Relations Activities

Initially, promotion activities should concentrate on seeking out and working with groups of prospective customers. These groups are quite numerous, and (judging from their reactions in the course of ECON, Inc.'s market research study) they will be receptive clients. Among the groups that responded positively to expanded prison industry activities are:

- Capital Region Purchasing Council, Hartford,
- Public Purchasing Association, Hartford area,
- Connecticut Public Expenditure Council, Hartford,
- Capital Region Education Council, Windsor, and
- State Conference of Mayors, New Haven.

A prime market for the expanded activities of Industries is the local school systems. Typewriter Repair, Furniture Repair, Printing, etc. are all items which schools purchase on a regular basis. ECON, Inc. has already established contacts with officials in several local school districts, both large and small. Several have indicated that they are ready and eager to place orders with Industries, once the terms have been decided.

b. Promotional Materials

In addition to personal contact with potential customers and news releases, promotional materials should be developed that can be left with potential customers or mailed to them which will further elaborate on the products and services available from the Industries. These promotional documents should consist of professional-looking brochures, pamphlets, and catalogs.

c. Market Research

It is recommended that a continuing market research activity be initiated to identify opportunities for new products/services that could be incorporated into an expanding Free Venture Industry program and to provide reliable sales forecasts for effective management of the initial Free Venture Industries. The market studies (described in Volume VII, Section 2-b) performed by ECON, Inc. provide a good baseline from which sales forecasts can be developed and updated.

d. Staffing and Cost

It is recommended that marketing staff be hired with remuneration based upon a commission on sales above existing levels. The staffing level and cost of the marketing and sales functions will depend primarily on the timing of the actual expansion of capacities of the shops involved. Current estimates for the aggregate increase in sales for the first year of operation range between $500,000 and one million dollars of added sales volume depending upon how quickly the Free Venture shops can be made operational.

The cost of sales for this range of sales volumes is estimated to be 10 percent to 12 percent of added sales, (beyond present sales) depending upon the production capacities actually achieved. This would mean a dollar cost of $60,000 to $120,000 for the first year. This amount would include approximately 4 percent in commissions (necessary for an aggressive sales force), 2-3 percent for marketing staff and clerical salaries, and 4-6 percent for cost of promotion. It is recommended that the following staff be retained to further develop and implement the above marketing program:

- a full-time marketing manager,
- the equivalent of two full-time salespersons, and
- one secretarial/clerical person.

5. Program Evaluation Plan

In order to assess the effectiveness of the Free Venture Industries, it is recommended that the Connecticut Department of Correction implement the program evaluation plan developed by ECON, Inc. to measure the program impacts in three distinct areas:

- Institutional Operations,
- Prison Industry Operations, and
- Post-Release Performance.

Several evaluation instruments have been developed with which to collect the basic data required for program assessment. In addition, during the course of this study a feasibility analysis has been conducted of the required data collection effort-- no major difficulties in data collection were encountered during the pre-test period.

Table III-6 provides an overview of the measures of effectiveness which provide the core of the recommended program evaluation plan.

In the area of institutional operations it is proposed that measurements of institutional tranquility and operation stability be made on a quarterly basis. For the former we recommend that the disciplinary infraction rate, broken down by major and minor infractions, be calculated for the Free Venture Industry labor force on a shop-by-shop basis and that this disciplinary infraction rate be compared

Table III-6: Measures of Effectiveness of the Free Venture Industries Program

Institutional Operations	Prison Industry Operations	Post Release Performance
Institutional Tranquility: Disciplinary Experiences Vandalism & Sabotage Operations Stability: Job Assignment Mobility Absentee Rate Shop "Down Time"	Business Aspects: Sales Growth Profitability Growth Employment Growth Contribution to State and Institution: Savings to State Agencies Financial Contribution of Inmates to the Institution Accumulated Manhours of Inmate Labor Contribution to Inmate Workers: Average Inmate Earnings by Skill Level Skills Progress Job Placement Rate	Ancillary Data: Biographical Data--address and living arrangements, marital status, number of dependents, education level, drug/alcohol abuse Non-Criminal Performance: Welfare--payments to ex-offenders and family, financial support other than welfare Employment--employer and location, days worked, job type, income and taxes paid, placement rates and cost, job retention rates, job satisfaction Involvement in Special Programs--education, vocational training, drug/alcohol treatment, counseling/psychological programs, medical treatment Criminal Justice Data: Crime Data by Type of Crime--arrests, prosecutions, convictions, etc. Reincarceration for Parole Violations

with that of the labor force of other industry shops and with the remainder of the institution. Also, Institutional tranquility can be measured by comparing the incidents of vandalism and sabotage in Free Venture Industry shops with other industry shops and all other institutional work programs. With respect to operations stability, we recommend that measurements be made of the job assignment mobility within each of the Free Venture Industry shops and within each of the other Correctional Industry shops on a quarter basis. Similarly, the absentee rate of both inmates and staff would be computed and compared for all industry shops and contrasted with the absentee rate of the custodial staff. We recommend that the down-time of all industry shops be computed and compared on a shop-by-shop basis.

In the area of prison industry operations there are three program impacts of major interest. The first relates to the business aspects of prison industries as measured by sales growth, profitability growth, and employment growth. The second major program impact of interest concerns the contribution of Free Venture Industries to the state and institution as measured by savings in state agencies' purchases, the financial contribution of the inmates that is devoted to institutional purposes (including "plowback" to industrial operations), and the accumulated annual manhours of inmate labor provided by the Free Venture shops.

The third program impact of interest is the contribution of industries to their inmate workers as measured by the average inmate earnings by skill level for each shop, the skills progress of the inmate workers within each Free Venture shop, and the job placement rate of the Free Venture Industries' labor force broken down on a shop-by-shop basis according to the shop in which the inmate was employed the longest. The first and third of these measures of effectiveness should be obtained for other industries and other work areas of the institution and compared with the Free Venture Industry experience.

In the area of post-release performance, post-release information should be sought on all paroled and discharged former participants in the Free Venture Industries program, and for a sample of non-program participants parolees and releasees. For both samples, biographical information should be recorded for later analyses of periodic measurements of several aspects of their post-release activity, including welfare and financial support payments to ex-offenders and their families, their involvement in special post-release programs, their employment experience, and their subsequent recorded involvement with criminal justice agencies.

It is recommended that ECON, Inc.'s program evaluation methodology and instruments (described in detail in Volume VII, Chapter V) be utilized, where possible, to develop an expanded data base that will provide a baseline performance record of existing shops. During the course of the extended data collection effort the program evaluation plan should be revised as appropriate.

B. Long Term Change

Recommendations for long term prison industry change concern those innovations which should be undertaken only after a full year's experience has been gained with the Free Venture Industry shops. The subject areas of these recommendations include:

- Program Growth Decisions, and
- Legislative Changes.

1. Program Growth Decisions

The Connecticut Department of Correction wishes to expand its institutional programs in coordination with its facility construction and renovation plans. The Department intends to expand its phased-release program and to implement a "continuum policy" wherein the offender's transition from one institution to another will be facilitated by the availability of an integrated sequence of institutional services. As mentioned earlier, if the industry program is to be responsive to the overall policy of the Department, it is necessary for Industries to plan for the establishment of new industries within the rennovated or newly constructed facilities of the Department. At Niantic C.C.I., the Department is considering the renovation of one

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of the cottages for the purpose of developing a medium security, totally self-contained, industrially organized mini-institution, with an inmate population of 50. The Department is also considering utilizing a portion of the Hartford Community Correctional Center for industrial programs. Additionally, the Maverick Corporation of Hartford, Connecticut has indicated a willingness to operate out of its own facilities (only a portion of which are now utilized for a supported work program) community-based industrial work programs under contract with the Department of Correction. (Recently the Maverick Corporation has embarked upon a housing rehabilitation program which could provide an unusually attractive work release program for ex-inmate workers from the Furniture Industry at Somers.)

The above are only some of the known possibilities and opportunities for Industries to explore as it plans the growth of additional Free Venture shops to facilitate implementation of the "continuum policy" of the Department of Correction. In order to assure system-wide planning it is recommended that the Department of Correction continue in operation the two departmental planning groups which were commissioned to launch the Free Venture Industry program in Connecticut. The institutional planning group would continue to explore changes in the industrial program within the institutions and the institutional changes necessary to accomodate the former. The composition of this planning

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group would be modified as the focus of the group's effort shifts from Somers to Enfield to Niantic.

The community planning group would continue to explore the opportunities and necessary institutional accommodations for developing work programs in the Community Correctional Centers (jails), and an expanded system of work release wherein private industry could contract with the Department of Correction for facilities and management services to operate community-based work programs.

It is recommended that the Directors of Industries and Education be members of both planning groups. As both planning groups will require detailed technical efforts to guide their decision-making, it is recommended that the Department of Correction arrange continued technical assistance support for this purpose over a two or three-year period. It is also recommended that the Department of Correction embark upon a three-year implementation program for prison industry change in the State of Connecticut, with the annual funding level tied to the previous year's progress and expected return from further investment.

Though a long term planning process is envisioned, decision-making with respect to the continued growth of Free Venture Industries should occur on a more frequent basis in light of the available resources and the plans which have been developed thus far. However, over the entire planning horizon it is recommended that the Department of Correction extend its planning for industry expansion beyond the state prisons and into the Community Correctional Centers, and seek to link the prison industry program with an expanded system of work release and other community-based work programs which may provide job opportunities for parolees and possibly probationers, In short, if a "real world" work experience in the prison setting is achievable and prison industry is able to realize its potential contribution to the state, institution, and inmate worker, then departmental sponsored work programs in the community--particularly for short term offenders on parole--should become a high priority for the Department of Correction. Within the Department prison industry and education/vocational education are two resource programs whose planning efforts must be closely coordinated to provide sound planning for industrial growth. Outside the Department of Correction, private industry provides a valuable potential resource for extending the work program into the community. The identification of specific firms willing to participate in this industrial expansion program and the definition of their area of activity should be a major item on the agenda of the industrial program planning committee of the Department of Correction.

2. Legislative Change

During our study of prison industries in Connecticut we have encountered a number of problem areas which can and should be addressed within existing legislative constraints. It is recommended that one full year of experience with the Free Venture shops be acquired before submitting a package of legislative reforms to the legislature. We believe that a piece-meal approach to legislative change in Connecticut is inappropriate,[6] and specific recommendations for a legislative reform package would be premature at this time. However, there are a number of subject areas we believe should be considered in the formulation of legislative reforms. We recommend that the Department of Correction appoint an attorney to the industrial program planning committee to provide legal expertise in the deliberations and planning of the desired legislative reform. The subject areas which should be addressed in the departmental planning sessions include:

- enabling legislation to encourage private industry involvement on the grounds of correctional institutions,
- modifications of the state-use law to permit sales of inmate-made goods to state agencies and political subdivisions of other states, and to the Federal Government market,
- enabling legislation to permit the sale of inmate-made products to the open market, providing inmates are remunerated at the prevailing wage rates,

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[6] The problem of licensing the Optical Shop at Somers and/or removing the legal barriers to ex-offender employment in this area may require an exception to this approach.

- legislative changes which may be required to provide training and monetary incentives to industry supervisors and staff, and to provide Industries with increased flexibility in its day-to-day procurement operations,
- removal of barriers to ex-offender employment,
- enabling legislation to permit the Department of Correction to involve parolees in department sponsored work programs, and
- enabling legislation for workmen's compensation which clarifies the status of inmate workers as employees of some legally recognized entity.

The above list is not intended to be exhaustive, but illustrative of the legal issues which should become a part of the Department of Correction's planning efforts for the growth of industrial programs.

Figure III-2 provides an activity schedule for the Program Management Plan for implementing both short term and long term prison industry change in Connecticut.

Figure III-2 Scheduling of Program Management Tasks

I. Orientation/Education Programs

Subtask:

(a) Orientation program for departmental & industries management & staff, inmates & advisory boards
(b) Develop a course of instruction for industry staff in financial & industrial management
(c) Present two sessions of industry training program

II. Improvement of Industries' Organization & Central Office Management

Subtask:

(a) Revise industries' organization chart separating education division from industrial division
(b) Appoint a Director of Industries with a business administration orientation
(c) Appoint a Controller of Industries
(d) Appoint a Marketing Manager
(e) Director of Industries reviews all administrative management & administrative staff positions and duty assignments, & revises allocation of administrative resources accordingly
(f) Director of Industries personally reviews with industry shop supervisors, Marketing Manager & Controller quarterly production plans of each shop, & the budgetary & other needs of the shop supervisors
(g) Director of Industries reviews recommendations of shop specific advisory boards regarding shop needs for improved shop operations
(h) Director of Industries submits to the Commissioner of Correction fiscal year financial plan for industries & quarterly progress reports on operating results
(i) Director of Industries establishes procedures for annual performance review of industries' staff

III. Develop & Implement Institutional & Industries' Manpower Scheduling System

Subtask:

(a) Develop computer-based industrial manpower scheduling for Somers, CCI
(b) Extend manpower scheduling system to entire inmate population of Somers, CCI
(c) Extend manpower scheduling system to Enfield, CCI
(d) Extend to other facilities of the Department of Correction

IV. Develop & Implement a Comprehensive Industries Accounting System

Subtask:

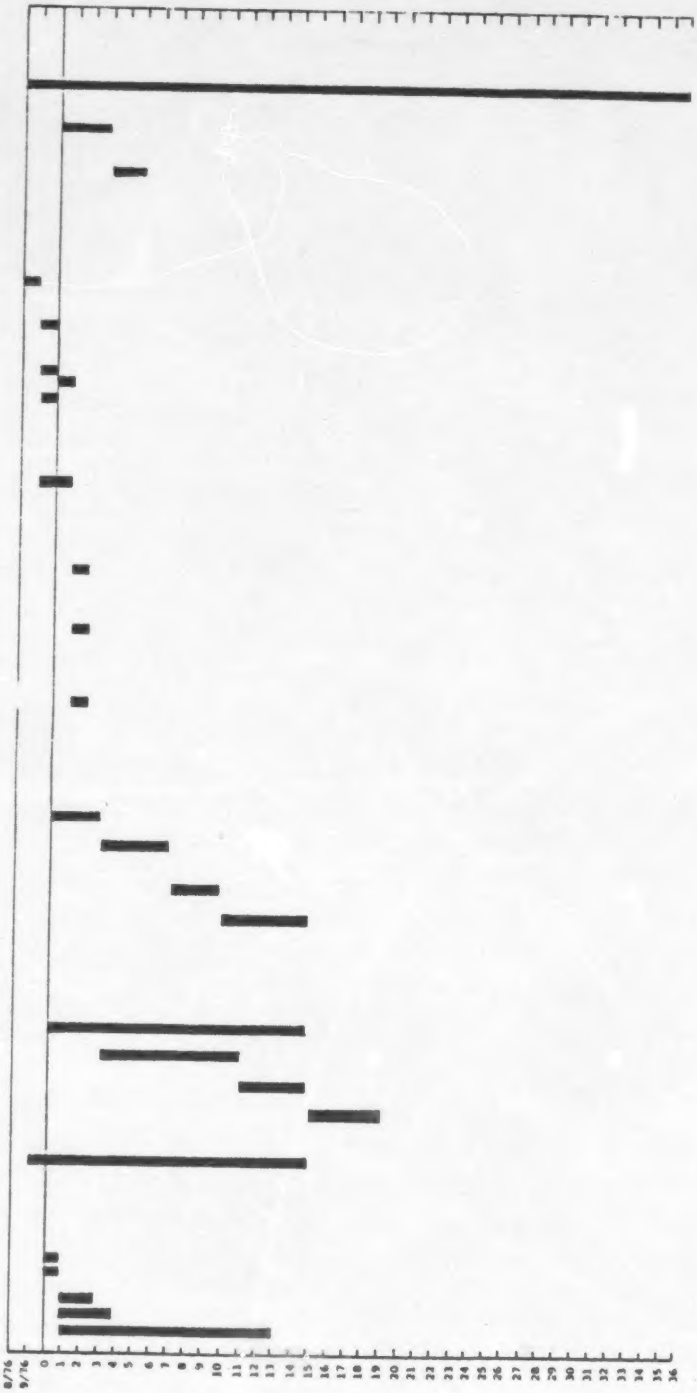
(a) Develop detailed design of accounting system
(b) Implement for industry shops at Somers, CCI
(c) Implement for industry shops at Enfield, CCI
(d) Implement at other facilities of existing industry shops

V. Develop & Implement Inmate Information System for the Department of Correction

VI. Develop & Implement Marketing Program

Subtask:

(a) Develop overall marketing plan
(b) Hire marketing staff on performance contract basis
(c) Develop marketing brochure
(d) Develop product catalogue
(e) Implement marketing plan



Months After LEAA Grant Award

Figure III-2 Scheduling of Program Management Tasks (cont'd)

VII. Start-Up & Phase-In of Recommended Free Venture Industry Shops at Somers, CCI

Subtask:

(a) Recruit private industry shop specific advisory boards
(b) Identify lower price source of raw materials for Woodworking Shop and/or delete non-profitable items from product line
(c) Provide assistance to shop supervisor to establish a mass production line for selected products
(d) Purchase new equipment recommended for existing industries
(e) Start-up Dental Lab, Optical Lab, Typewriter Repair, Print Shop, & Furniture Shop
(f) Decision on Small Engine Repair Shop
(g) Purchase equipment for Musical Instrument Repair Shop & Microfilm Service Bureau
(h) Lease equipment for Data Processing Shop & Microfilm Service Bureau
(i) Hire new staff to establish & supervise operations of new shops
(j) Contract for shop start-up & inmate training services for Musical Instrument Repair & Data Processing Shop
(k) Start-up new industry shops, Microfilm Service Bureau, Musical Instrument Repair & Data Processing Shop
(l) Director of Industries establishes job placement & post-release support linkages to Free Venture Industry Shops

VIII. Technical Studies for Growth of Free Venture Industries to Other Institutions of the Department of Correction

Subtask:

(a) Conduct study of the transportation costs required to operate industries with daily distribution of products to state schools and institutions (e.g., Food Service)
(b) Conduct study of Sign Shop at Enfield, CCI
(c) Conduct study of new industries for Niantic, CCI
(d) Conduct feasibility study of introducing new industries in community correctional centers which are "extensions" of industries at state prisons
(e) Plan & install new vocational education programs which are "feeder" programs to industries

IX. Extend Performance Measurements of Baseline Industries Operations

Subtasks:

(a) Extend three month period of measurements of institutional tranquility at Somers, CCI, for an additional three months
(b) Enlarge sample of ex-offenders to provide additional baseline information of post-release performance

X. Monitor Program Performance & Evaluation

XI. Continue Planning for Expansion of Industrial Programs

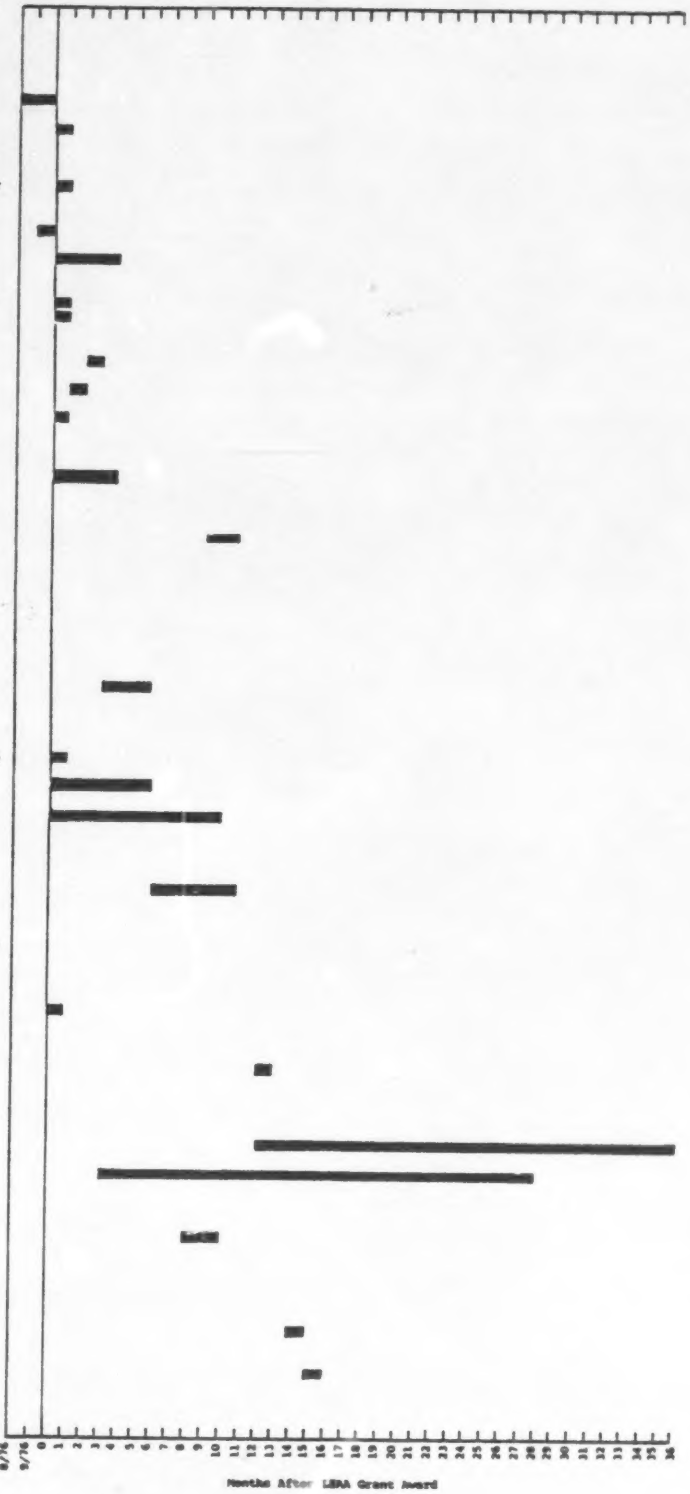
Subtask:

(a) Update schedule of Program Management Plan

XII. Legislative Program

Subtask:

(a) Free Venture Industry Director submits a package of legislative changes to Commissioner
(b) Commissioner submits legislative program for industries to the state legislature



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